

RUCHIRAPAPERSLIMITED

ANNUAL  
REPORT

2019/2020



Strengthening  
competitiveness

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### Forward-looking statement

In this Annual Report, we have presented forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

## Strengthening Competitiveness

In India's competitive paper sector, the goalpost is perpetually shifting.

This shift is marked by ongoing changes in currency rates, customs tariffs, resource costs, product applications, customer preferences and economic growth.

At Ruchira, we have addressed this dynamic environment through a complement of initiatives: projects directed at modernisation/upgradation, debottlenecking, enhanced resource yields, cost rationalisation, greater accruals use, moderated debt cost, quicker receivables and widening product range.

During the last few years, these initiatives were implemented with a singular objective: reinforce our control over realities within our operating domain.

**Strengthening our competitiveness.**

# Pride. Pluck. Perseverance.

## These make Ruchira Papers Limited a competitive paper company.

## Across products, segments and market cycles.

### VALUES

**Honesty:** To be principled, straightforward and fair in all dealings.

**Integrity:** Maintaining the highest standard of professionalism.

**Flexibility:** Making it a norm to always stay a step ahead of change.

**Respect for the individual:** Giving each person room to contribute and grow.

**Respect for knowledge:** To acquire and apply cutting-edge expertise in all aspects of business.

**Team performance:** The team comes first; none of us is as good as all of us.

### LEGACY

Ruchira Papers Limited started the business of paper manufacturing in 1980. The Company was promoted by Umesh Chander Garg, Jatinder Singh and Subhash Chander Garg who are still associated with the Company. The Company commenced operations with an installed capacity of seven tons per day (TPD) of kraft paper. Over the year, the Company expanded its production capabilities and produced 82453 MT of kraft paper and 51595 MT of writing and printing paper in FY19-20, making it a respected mid-sized paper manufacturer in North India.

### PRODUCTS

Ruchira Papers manufactures and markets two products – kraft paper as well as writing & printing paper. The Company is a prominent player in these segments in Northern India. The Company's writing & printing paper finds application in note books, writing material, wedding cards, shade cards, children's colouring books, copier paper and bill books. The Company's kraft paper is used in the packaging industry especially in the fabrication of corrugated boxes and other packaging material.

### FACILITY

The Company's state-of-the-art manufacturing facility is based in Kala Amb, Himachal Pradesh, on the Chandigarh-Dehradun highway.

### CERTIFIED

The superior quality of the Company's products has been recognised and accredited with an ISO 9001:2015 and FSC certification, assuring customers of a compliance with quality management norms.

### LISTING

The Company is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE).

### AWARDS

The Company is a respected manufacturer with a number of awards to its credit.

- Udyog Ratna Award by Himachal Pradesh in 2005
- Forest Stewardship Council certificate from Rain Forest Alliance, New York, USA
- Appreciation award from Himachal Pradesh Corrugated Box Manufacturers Association in 2009
- Certificate of Excellence from INC 500 in 2013

## Our products basket



Writing and printing paper

### RAW MATERIALS

WHEAT STRAW  
BAGGASE  
SARKANDA  
OTHER FILLER



### APPLICATION

NOTEBOOKS  
WRITING MATERIAL  
SPIRAL NOTEBOOKS  
WEDDING CARDS  
SHADE CARDS  
CHILDREN'S COLOURING  
BOOKS  
WHITE AND COLOURED  
COPIER PAPER  
BILL BOOKS



Kraft paper

### RAW MATERIALS

WHEAT STRAW  
BAGASSE  
SARKANDA  
WASTE PAPER\*



### APPLICATION

CORRUGATED BOXES  
CARTONS  
PACKAGING PRODUCTS  
LIKE TEXTILE TUBES AND  
PAPER CORE-PIPES

### APPLICATION FOR COPIER PAPER

OFFICE AND  
STATIONERY

\*Indigenous and imported as per the requirement of finished products being manufactured

# Products overview

## Writing and printing papers

Brand	Variants	Colours	GSM	Brightness	Usage
<b>Kora</b>	White Lined: Hindi/ Eng/Math/ Science	-	58-160 GSM	+88%	Writing & Printing, Notebooks, Textbooks, Stationery, Note pads, Registers and Base paper for thermal coating
<b>Safeda</b>	Super White	-	58-160 GSM	+90%	Writing & Printing, High quality Notebooks, Textbooks, Stationery, Note Pads, Registers, Children's Books, Diaries and Calendars
<b>Savera</b>	Super White	-	58-160 GSM	+92%	Writing & printing, High Quality Notebooks, Textbooks, Stationery, Note pads and Registers
<b>Karigar</b>	White	-	90-160 GSM	+85%	Writing & printing, High bulk, Drawing sheets, Cards, Notes and Labels
<b>Gehua</b>	Natural	-	58-160 GSM		Writing & printing, Brochures, Annual reports, Diaries, Paper Bags and Envelopes
<b>Mela</b>	Coloured	Lemon Mint Rose Sky	49-160 GSM	-	Multipurpose colour printing, Bill books, Brochures, Leaflets, Advertising material, Spiral note books, Bill books, Hand bills, Scrapbooks and Lottery tickets
<b>Pahari</b>	Coloured	sand	95 GSM	-	Print & packaging, High quality envelopes, Cards, Boxes and Paper bags

## Kraft Paper

<b>Maati</b>	Kraft Brown	-	100-220 GSM	20-35 BF	Corrugated boxes, Paper bags, Disposable Crockery, Ream wrappers.
<b>Multani</b>	Kraft Coloured		100-220 GSM	20-35 BF	Golden Colour Kraft, Outer layer of Corrugation boxes, Paper bags, High Quality Packaging Solutions.
<b>Khadi</b>	Kraft Natural (DTY/POY) Ply Bond 350/450/600/800		180-450 GSM		Tube Grade, Paper Tube, Cores, Cones, Composite cans, Fibre Drums.

## Copier Paper

<b>Rozana</b>	White		70/75 GSM		Multipurpose copier paper for writing and printing, Executive Range
<b>Tarang</b>	Coloured	Lemon Mint Rose Sky Ivory	70, 75, 80 GSM		

# How we have transformed over the years

Commenced commercial production of kraft paper with 7 TPD

1983

Went into business

1980

1992-94

Installed PM-2 for manufacturing kraft paper

2005-06

Crossed the turnover threshold of ₹50 Crores

Commenced the manufacturing of writing & printing paper

2007-08

Made an Initial Public Offer of ₹2850 Lakhs; listed on NSE and BSE

2006-07

2009-10

Crossed ₹200 Crores in turnover

2012-13

Crossed ₹300 Crores in turnover  
Maiden dividend declared of Re 1 per share

Crossed production of 100,000 MT (kraft paper and writing & printing paper)  
Crossed ₹400 Crores in turnover

2016-17

Certified for FSC by Rainforest Alliance

2015-16

2017-18

Announced a greenfield expansion for writing & printing paper in Punjab

2019-20

Achieved production of 134048 MT.  
Achieved a turnover of ₹481.01 Crores

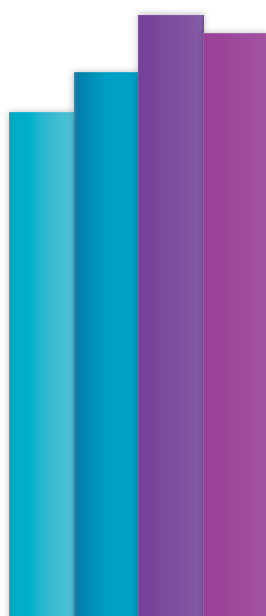
Embarked on a ₹44 Crores modernisation and upgradation in the writing & printing paper segment; launched white copier paper

2019-20

# How we have performed over the years

## Revenues (₹ Crores)

417.10 447.60 493.99 481.01



FY 16-17 FY 17-18 FY 18-19 FY 19-20

### Definition

Growth in sales net of taxes.

### Why is this measured?

It is an index that showcases the Company's ability to optimise business operating costs despite inflationary pressures, which can be easily compared with the retrospective average and sectoral peers.

### Value impact

Aggregate sales stood at ₹481.01 Crores in FY19-20 against ₹493.99 Crores in FY18-19, on account of decrease in average net sales realisation due to market sluggishness.

## Profit after tax (₹ Crores)

32.50 38.02 40.24 27.37



FY 16-17 FY 17-18 FY 18-19 FY 19-20

### Definition

Profit earned during the year after deducting all expenses and provisions

### Why is this measured?

It highlights the strength in the business model in generating value for its shareholders.

### Value impact

The Company reported a decline in net profit of ₹12.87 Crores in FY19-20 on account of a decline in net realisations and lower sales.

## EBITDA (₹ Crores)

63.96 74.17 82.12 44.06



FY 16-17 FY 17-18 FY 18-19 FY 19-20

### Definition

Earning before the deduction of fixed expenses (interest, depreciation, extraordinary items and tax)

### Why is this measured?

It is an index that showcases the Company's ability to optimise costs of all kinds despite inflationary pressures.

### Value impact

The Company's EBITDA stood at ₹44.06 Crores in FY19-20, a decline on account of lower realisations.

## EBITDA margin (%)

15.33 16.57 16.62 9.16



FY 16-17 FY 17-18 FY 18-19 FY 19-20

### Definition

EBITDA margin is a profitability ratio used to measure a Company's pricing strategy and operating efficiency

### Why is this measured?

The EBITDA margin provides an idea of how much a Company earns (before accounting for interest and taxes) on each rupee of sales.

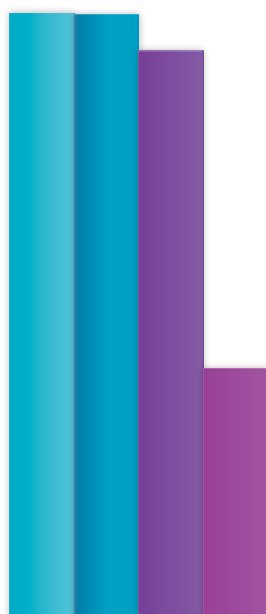
### Value impact

The Company reported a 746 bps decrease in EBITDA margin during FY19-20 due to a decline in net sales realisations due to sluggish demand.



## ROCE (%)

25.15 25.06 23.60 10.45



FY 16-17 FY 17-18 FY 18-19 FY 19-20

### Definition

It is a financial ratio that measures a Company's profitability and the efficiency with which its capital is employed in the business

### Why is this measured?

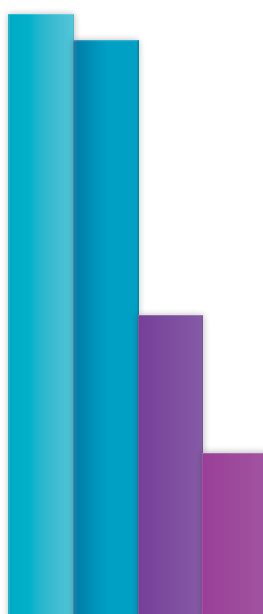
ROCE is a useful metric for comparing profitability across companies based on the amount of capital they use – especially in capital-intensive sectors.

### Value impact

The Company reported a 10.45% ROCE during FY19-20 compared to 23.60% in FY18-19 on account of a decline in net sales realisations without a corresponding cost decline.

## Gearing ratio (x)

0.22 0.21 0.11 0.06



FY 16-17 FY 17-18 FY 18-19 FY 19-20

### Definition

This is derived through the ratio of debt to net worth (less revaluation reserves)

### Why is this measured?

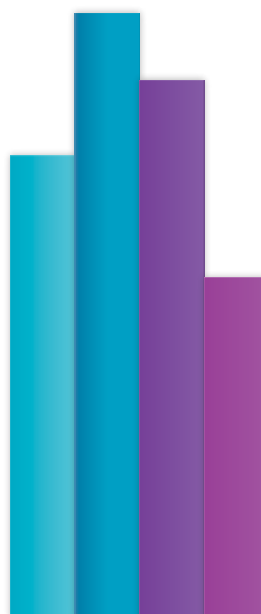
This is one of the defining measures of a Company's financial health, indicating solvency.

### Value impact

The Company's gearing stood at an improved 0.06x in FY19-20 against 0.11x in FY18-19 following debt repayment and increased net worth despite prevailing challenges.

## Interest cover (x)

8.74 11.37 10.14 6.42



FY 16-17 FY 17-18 FY 18-19 FY 19-20

### Definition

This is derived through the division of EBITDA by interest outflow

### Why is this measured?

Interest cover indicates the Company's comfort in servicing interest – the higher the better.

### Value impact

The Company sustained its interest cover at an attractive level of 6.42x in FY19-20, despite the decline in profit.

## Net worth (₹ Crores)

152.75 191.34 244.34 264.57



FY 16-17 FY 17-18 FY 18-19 FY 19-20

### Definition

This is derived through the accretion of shareholder-owned funds

### Why is this measured?

Net worth indicates the financial soundness of the Company – the higher the better.

### What does it mean?

This indicates the borrowing capacity of the Company and influences the gearing (which in turn influenced the cost at which the Company can mobilise debt).

### Value impact

The Company's net worth strengthened by ₹20.23 Crores during a challenging year, strengthening gearing.

## Management's overview

# The passion of Ruchira

### Overview

We have often been asked 'What kind of a Company is Ruchira Papers?'

To say that we are a paper manufacturer does not indicate anything significant. In view of this, we decided that It would dedicate our overview this year on what we truly are and what drives us.

### Governance

At Ruchira, we are a governance-committed Company. We believe that governance is not peripheral to our existence but integral. In a world that is increasingly concerned with the 'how' over the 'what', we believe that the quality of our governance is reflected in our integrity, stakeholder focus, strategic discipline, functional consistency and repeatability.

### Direction

At Ruchira, we possess a strategic clarity of where we are headed. We are not driven as much by the obsession to be the largest paper company in India as much as we are driven by the zeal to be one of the best – in terms of quality, customer respect, realisations per kg and consumption of natural resources per unit of production.

### Best over biggest

At Ruchira, we believe that success is derived from the best at what we can do. This is of critical relevance in the capital-intensive paper sector marked by a perception that scale is more important than scope. We believe that the most passionately run mid-sized paper company can deliver operating efficiencies better than a number of larger competitors (as in our case). As an extension of this conviction, we believe that a focus on passion-driven competence enhances asset utilisation, revenues and profitability leading to a reinvestment cycle that enhances scale. This validates what we have always

believed: that passion generates scale and sustainability; not the other way around.

#### **Hands-on**

At Ruchira, the technocrat promoters are engaged in running the Company. We engage with every day issues and we engage with the strategic while we continue to inspire professionals who work with us. The result is that Ruchira is promoter- and professionally-driven. The Company is adequately manned in senior positions that has helped enhance specialisation, capabilities, growth and outperformance.

#### **Compliances**

At Ruchira, we believe that our business continuity is derived from a culture of compliances – with the laws of the land and listing authorities. At our Company, we have instituted a robust commitment to statutory compliances through a team that owns this responsibility. These compliances are reported to respective authorities (where applicable) in terms of various forms/report filings well within the prescribed time.

#### **Reinvestment**

At Ruchira, we believe that in a business where the upside is vast, there will always be a premium on corporate austerity, accrual maximisation and reinvestment. This reinvestment makes it possible to invest in various debottleneckings/modernisation and up-gradations, which ultimately translated into an ability to generate more from the given equipment comparable with some of the best productivity standards among peer companies.

#### **More from less**

At Ruchira, we recognise that we are engaged in a business where realisations are outside our control. What we have within our control is the management of equipment, processes and protocols that make it possible to get product manufacture

right for the first time and every time. Over time, this commitment has translated into the ability to generate more from less – whether it is about increasing production capabilities from our manufacturing assets, or generating a better yield from our raw material resources or maximising the use of steam or enhancing per person productivity.

#### **Punching above our weight**

At Ruchira, we represent an unusual combination – of a Company seeking to punch technologically above its weight when it comes to generating a higher throughput or moderating costs lower than sectoral benchmarks but otherwise remaining cautious when it comes to debt or debtor discipline. The result is that even as we have grown over the years, we have selected to under-borrow and remain adequately liquid through market cycles.

#### **Ongoing upgradation mode**

At Ruchira, because we are present in a capital-intensive business, we recognise that there will always be a need to upgrade or modernise. As a matter of prudence, we initiate expansion programmes only when a large part of the debt related to the previous debottlenecking/upgradation/modernisation has been repaid. Besides, our capital expenditure is linked to projects with attractively short paybacks, protecting our medium-term profitability.

#### **Lateral opportunities**

At Ruchira, we are focused on revenue maximisation from our given equipment. The result is that we are perpetually engaged in ascertaining the right product mix in response to marketplace demands and developments. During the year under review, the Company extended to the manufacture of copier paper expected to enhance realisations of writing & printing paper, strengthening our profitability.

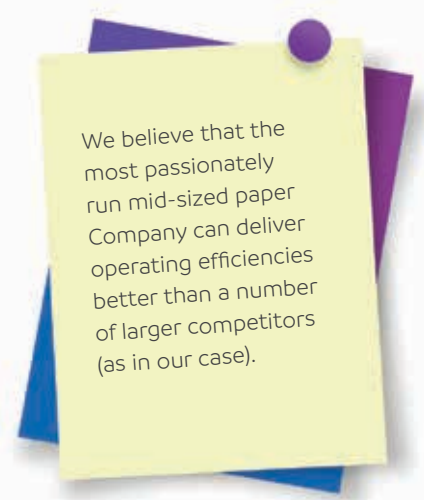
#### **No speculative positions**

At Ruchira, we see our role as an efficient convertor of resource or raw material into the finished product. This strategic clarity has translated into a few imperatives: investments in conversion efficiency, lower material use, high financial returns, enhanced quality focus and the complete absence of any speculative positions on our raw materials or finished products that could potentially distract us from our organisational focus. The result of this approach is not just a consistent focus on the manufacture of paper of the highest quality; it is also a focus on selling as much as fast as we can, resulting in a short receivables cycle that protects our liquidity across market cycles.

#### **Integration**

At Ruchira, we believe that in a competitive business, success is derived from an aggregation of moderate margins across process and products. In our integrated operations, where one end product becomes the raw material for the other, the overall impact is anything but moderate. This integration represents the heart of our sustainability.

#### **The management, Ruchira Papers Limited**



We believe that the most passionately run mid-sized paper Company can deliver operating efficiencies better than a number of larger competitors (as in our case).

## Operational review

“In a year when consumers were tentative and deferred purchases, the biggest achievement of our Company was that we sold more than we did in the previous year”



**What is the big message that the management wishes to communicate to shareholders related to the Company's performance in FY19-20?**

**A:** The Company suffered a decline in revenues and profit after tax in FY19-20, the first such decline in a decade. The revenues declined 2.63% to ₹481.01 Crores, profit after tax declined by ₹12.86 Crores or 31.97%. The principal message that we wish to send out to our shareholders is that once every few years such erosion in realisations does indeed transpire. In view of this, the Company had created a business model that could survive such a sectoral churn. This was validated during the last financial year when the Company reported positive bottom line and margins in spite of the extensive challenges.



**What were some of the reasons that resulted in a weaker market sentiment?**

**A:** Pulp prices declined, resulting in lower paper prices. Consumer sentiment was weak through the year on account of slower economic growth. Besides this, a delay in government tendering for writing & printing paper affected offtake and realisations. The net impact was that net sales realisations

weakened 8% to 10% in the writing and printing paper and kraft paper segments without a commensurate decline in raw material prices. The net sales realisation (NSR) of writing and printing paper declined from ₹59,012 per tonne in FY18-19 to ₹54,115 in FY19-20; the NSR for kraft paper declined from ₹25871 per tonne in FY18-19 to ₹23676 per tonne in FY19-20. To protect its market position, the Company selected to focus on the 20-22 burst factor kraft grades that moved quicker. The Company leveraged its strong brand in the coloured paper segment where margins remained protected.



**What was the positive feature of the Company's performance during FY19-20?**

**A:** During a year when consumers were tentative and deferred purchases, the biggest achievement of our Company was that we sold more than we did in the previous year. Our sales increased 9.73% to 137,211 tons, which is a remarkable achievement considering that the Company lost nearly 10 days of production due to the national lockdown following the outbreak of COVID-19 during FY19-20. The notional 'loss' on account of the closure was around 4000 tons

corresponding to around ₹15 Crores of turnover. Besides, the Company maintained a modest finished good inventory of around ten days during the course of the year. The increased off take of products validated the Company's positioning as a quality-committed and customer-focused Company even during a challenging market environment. This endorsed the Company's customer relationship-driven approach: **once a Ruchira customer always a Ruchira customer.** We believe that when market conditions revive, these relationships will help us generate improved realisations, margins and surplus.

The Company registered volume growth of 4.05% during FY19-20 and achieved total production of 1,34,048 MT against a production of 1,28,831 MT in FY18-19. The production of kraft paper was 82,453 MT in FY19-20, a growth of 6.68% compared to 77,287 MT in FY18-19. The production of writing and printing paper remained at the same level at 51,595 MT in FY19-20 compared to 51,544 MT in FY18-19. The total production of the Company for FY19-20 was in line with the guidance provided despite the COVID-19 outbreak that led to a shutting down of operations from the last week of March 2020.



### What initiatives will take the Company ahead?

**A:** The Company launched its white copier paper brand during the latter part of FY19-20. We believe that the launch of this branded product is the natural outcome of the Company's quality focus and customer orientation. The Company invested in customised equipment namely film size press that accelerated operating speed of surface sized paper; the increased throughput made it possible for the Company to amortise fixed costs more effectively; the enhanced competitiveness has created a case for this new business to become viable in a short period of time.



### How did this new segment perform?

**A:** The product was launched in the latter part of the last financial year, so sales were negligible in FY19-20. we are pleased to report that the product delivered nearly 500 tons of sales during the first quarter of the current financial year, which were among the most challenging months that one has seen from an operational, social and financial point of view. Besides, the competitiveness of this product is being derived from the fact that nearly 85% of the resource is agricultural residue and not wood; besides, we generated realisations better as compare with the writing & paper segment. The launch of this product has also enhanced our respect among select paper companies in the country. We are optimistic that over time, this product segment will carve out sales of around 6000 tons per year and the introductory prices will yield to higher realisations, strengthening our volume-value proposition.



### How did the Company strengthen its competitiveness in FY19-20?

**A:** The Company recognised

that it needed to do what it had always done: look within, explore opportunities to enhance operational efficiency, moderate costs and enhance competitiveness. The year under review was marked by a number of programmes focused on operational streamlining and cost reduction. The Company embarked on a ₹44 Crores modernisation within its writing & printing paper unit with the objective to enhance operational efficiency, moderate costs and reduce its carbon footprint. The project is being funded through a mix of debt and accruals (1:1); the project will be commissioned in FY20-21. This project comprises the modification of the existing size press with the installation of a new film size press, replacement of a legacy power turbine with one possessing a higher efficiency, up-gradation of the recovery boiler and ETP upgradation.



### What was a highlight of this modernisation initiative?

**A:** One of the important initiatives comprised the replacement of the 5.6 MW turbine with a 6.1MW equivalent with no increase in the quantum of steam to be consumed. Besides, the Company is upgrading its effluent treatment plant by investing around ₹15 Crores, marked by a sharp reduction in the BOD and COD content of the effluent water. This project will reinforce the Company's respect as an environment-committed paper manufacturer. The cumulative impact of these initiatives is that the Company is expected to increase production without a corresponding increase in costs across the foreseeable future. We believe that this investment will empower the Company to stay profitable even in the most challenging market environments and enhance our productivity when the rebound transpires.



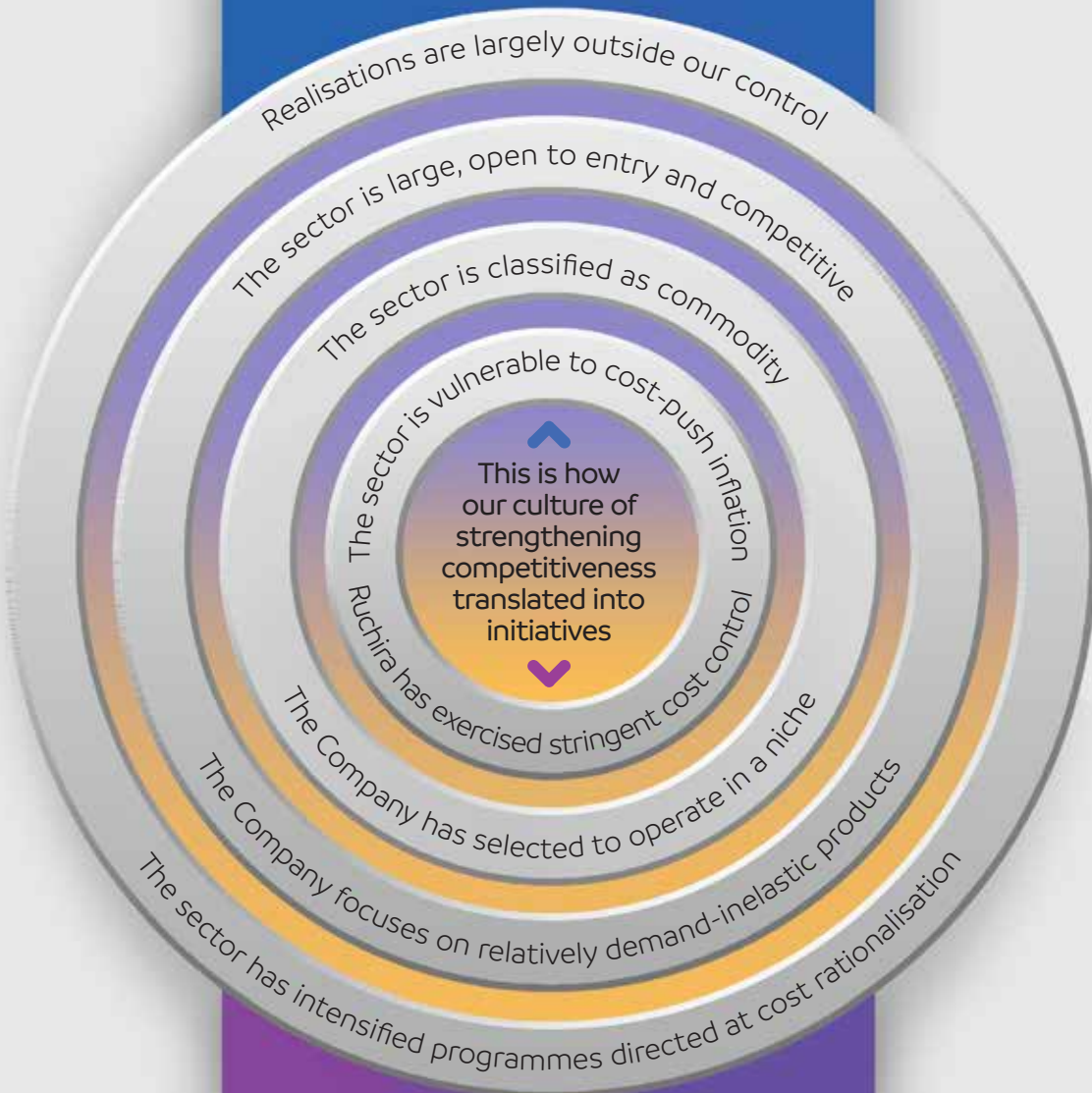
### What is the outlook for FY20-21?

**A:** Owing to this uncertainty and business disruption risk, the Company is deferring its guidance for FY 2021. Operations partially started resuming in April and May 2020; the focus will be on sustaining normal production, active cost management and capital conservation. Besides, the focus will be to sell all the quantity of kraft paper and writing & printing paper being manufactured despite unfavourable market conditions, minimise finished goods inventory, enhance copier off take, conclude the modernisation programme on schedule, generate positive returns and strengthen the Company's Balance Sheet. The Company does not intend to just produce more of the same; it intends to develop new kraft applications to address the market gap created by the ban on plastic. Besides, the one message that we wish to communicate to our shareholders is that we are attractively placed to weather the slowdown: as on 31st March 2020, our Company had only ₹7.33 Crores in long-term debt; our working capital sanctions had been utilised only to the extent of 80%.

The focus at our Company would be to sell the quantity of Kraft paper and Writing and Printing paper being manufactured despite the unfavourable market conditions, keep finished goods inventories at the lower level, enhance copier off take, conclude the modernisation programme, generate positive returns and strengthen the Company's Balance Sheet.



# The reality of our sector



# How we have enhanced competitiveness

# How Ruchira strengthened its value engineering across the years

## Capital productivity

In a capital-intensive business, the Company focused on generating a larger return from investments through various initiatives that comprised commissioning assets at the lowest cost, shortest time and the highest efficiency.

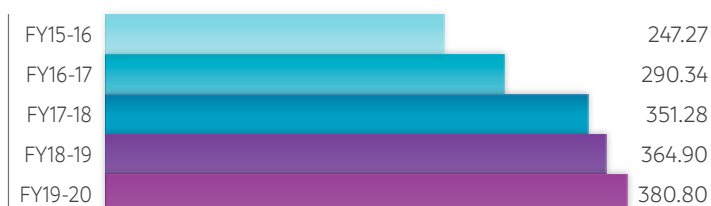
## Production (in MT) per Crores of capital employed (₹)



## Core commitment

The Company invested in enhancing gross block across market cycles through accruals and debt. These investments graduated the Company into one of the largest agro-based paper manufacturers in North India, strengthening its procurement and sales economies.

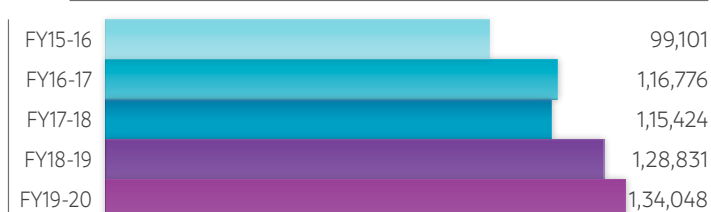
## Gross block (₹ Crores)



## Growing output

The Company sustained production growth through a complement of de-bottlenecking / modernisation / upgradation, making it possible to efficiently amortise fixed costs, enhance procurement economies and address growing customer needs with timely product availability (making it possible to grow operations with minimum raw material inventory).

## Production (tons)

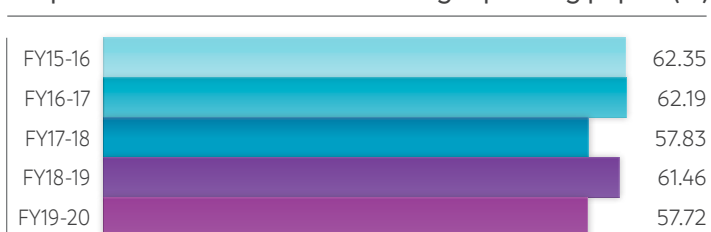




### Product mix

The Company progressively evolved its product weightage towards writing & printing paper (decline in percentage terms but more than made up through increased organisational output). This empowered the Company to market products with speed, generate superior realisations and strengthen its brand.

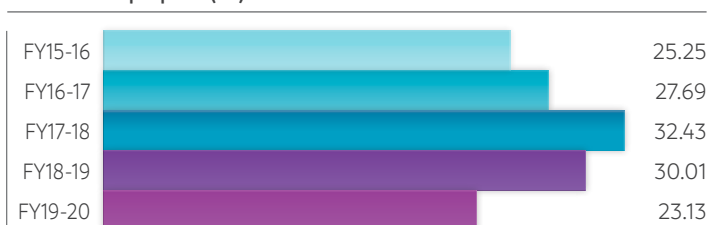
### Proportion of revenues from writing & printing paper (%)



### Niche value-added

The Company progressively extended from the manufacture of ordinary writing & printing varieties to value-added versions. The Company introduced coloured paper in 2011; the proportion of revenues derived from this niche has grown; this variety generates a premium per kg over the prevailing writing & printing paper average (the last financial year was an aberration on account of disturbed market conditions).

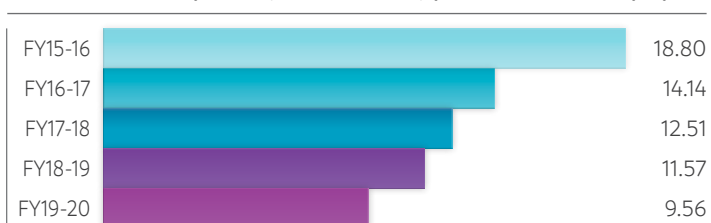
### Proportion of writing & printing paper revenues from coloured paper (%)



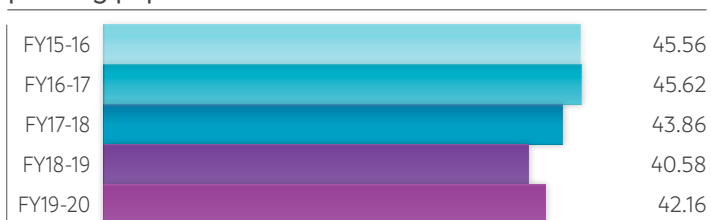
### Water-efficient

The Company invested in cutting-edge technologies with the objective to moderate water consumption: from 50.48 metre cube per tonne of writing & printing paper manufactured in FY14-15 to 42.16 meter cube per ton in FY19-20 and from 22.94 metre cube per tonne of kraft paper manufactured in FY14-15 to 9.56 meter cube per ton in FY19-20. The Company moderated water consumption through the proactive investments in an imported effluent treatment plant (French technology), chemical recovery system and an online water monitoring system (one of the first among agro-based paper manufacturers in region). During the year under review, the Company proposed a modification and upgradation of its existing effluent treatment plant marked by a sharp reduction in the BOD and COD content of effluent water.

### Water consumption (metre cube) per ton of kraft paper



### Water consumption (metre cube) per ton of writing/ printing paper



### Productivity

Over the years, the Company enhanced per person productivity through training, multi-skilling and knowledge enhancement, strengthening business value.

### Per person revenue productivity (₹)





## Our operating framework

### ● Culture

Multi-decade sectoral and terrain experience + Culture of continuous growth and innovation

### ● Resource security

Water security + Sustainable raw material procurement sources + 8.1 MW co-generation power plant for captive consumption

### ● Intangible strengths

Established brands + Wide distribution network + Knowledge capital + Enduring relationships

### ● Operational edge

Product/process R&D + Wide product basket

### ● Financial robustness

Growing margins + Under borrowed Balance Sheet + Attractive liquidity

# 01

## Foresight

The Company has been agro-based since inception. The Company anticipated a gradual raw material shift from wood towards renewable and environment friendly organic waste material, making it possible to moderate its carbon footprint.

# 04

## Workforce

The Company is an employer of more than 1000 people. The Company facilitated personal and professional development, strengthening people retention and knowledge accretion.

# 02

## Diversified product portfolio

The Company diversified its product mix from kraft paper to a wide product range of writing & printing paper, de-risking in the event of volatility in demand or prices.



# 05

## Longstanding relationships

The Company generated a growing appetite for resources and services, a robust platform for its raw material vendors with a long-term focus. The Company enjoys enduring relationships with more than 80 channel partners across India.

# 03

## Efficient working capital management

The Company remained relatively under-leveraged following the manufacture of value-added varieties that helped shrink the receivables cycle. The working capital limit sanctioned by the banks was not fully drawn; the Company enjoyed excellent trade terms, translating into low inventories and receivables.

# 07

## Robust Balance Sheet

The Company's debt-equity ratio (0.06x in FY19-20) was modest by the standards of a captive-intensive industry.

# 06

## Strategic location

The Company is located in Himachal Pradesh, well connected to state and national highways as well as the principal resource providing pockets of Punjab and Haryana on the one hand and principal product consuming markets on the other.

# Our value-creation report

## Overview

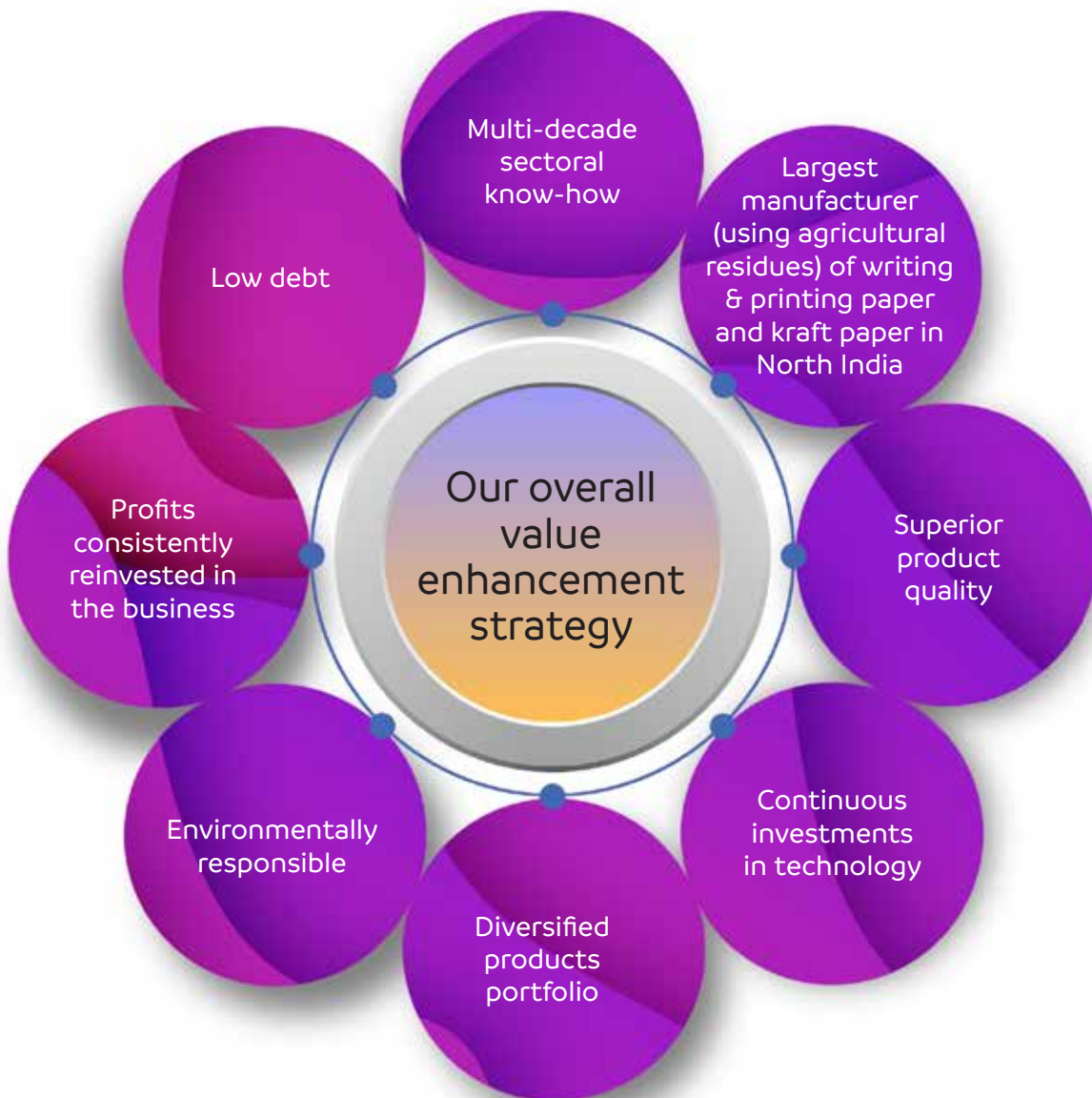
The Integrated Value-Creation Report represents the cornerstone of corporate success. This new measure overcomes the limitations of the conventional approach with a more comprehensive framework that captures a wider set of initiatives and addresses a larger family of stakeholders.

The Integrated Reporting approach explains the sectoral context, analyses corporate strategy

and competitiveness leading to different reporting strands (financial, management commentary, governance and remuneration, and sustainability reporting) integrated to express an organisation's holistic ability to enhance value.

Integrated Reporting explains to providers of financial capital how an organisation enhances value. Its impact extends beyond financial stakeholders; it enhances understanding across all

stakeholders - including employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers - focused on an organisation's ability to improve value across time. This shift from the 'hard' to 'soft' (non-financial data) helps screen a Company more comprehensively, addressing the growing needs of external stakeholders.



## Sectoral opportunities

### Rising incomes

India's per capita was ₹135,050 in FY19-20 compared to ₹126,406 in FY18-19, strengthening demand for paper products.

### Rising population

India's population was 1.36 billion in FY19-20, adding 1.5% to its population each year and in turn driving the demand for paper.

### Favourable demographics

India has >500 million people within the age bracket 5-24, the largest such population cluster in the world. India has >250 million school going students, more than any country. Favourable demographics will drive paper demand.

### Growth of e-commerce

India's total internet user base was pegged at 665 MN users in 2019 and projected to increase to 829 million users by 2021 as direct result of smartphone penetration and digital initiatives, strengthening paper and packaging demand.

### Literacy rate

The Indian literacy rate is projected at ~90% in 2020, compared to ~74% in 2017, strengthening demand for paper.

### Increasing paper demand

Paper demand has almost doubled over the last decade (17.1 million tons in 2018 compared to 9.3 million tons in 2008). With a rising population and incomes, coupled with the rising literacy rate, paper demand is projected to increase substantially.

### Education

The Union Budget FY19-20 allocated ₹94,853.64 Crores for the education sector, a y-o-y increase of ~₹10,000 Crores over FY18-19. Of this, ₹56,536.63 Crores was allocated for the school sector and ₹38,317.01 Crores for higher education, strengthening demand for paper. (Source: Economic Times, IBEF, Live Mint, Business Standard, Statista, Business Today)

## Drivers of Ruchira's value

**At Ruchira**, we believe that the interplay of value for our various stakeholders has translated into our business profitability and sustainability.

**Our employees** are our biggest assets and the foundation of our workflow. The employees are an integral part of each business vertical and across a range of functions (procurement, manufacturing, marketing technology, finance, etc.). Our focus is to provide an exciting workplace, generate stable employment and enhance productivity.

**Our shareholders** provided capital when we went into business of Writing and Printing Paper. Our focus is to generate free cash, growing RoCE and in doing so enhance value of their holdings

**Our suppliers** provide credible and a continuously supply of materials required for production. Our focus is to maximise quality procurement at declining average costs with the objective to widen our markets, strengthening sustainability

**Our customers** keep us in business through availing our services, generating the financial resources to sustain our operations.

**Our communities** provide not only human capital but also the natural resources and infrastructure, which we leverage to our advantage. Hence, we believe in giving back to the community whenever we get a chance. Our focus is to support and uplift the local communities in our areas of operations through consistent engagement.

**Our government** has helped us sustain profits under precarious circumstances. Our focus is to play the role of a responsible citizen, serving as a role model.

## Drivers of Ruchira's value



**Financial capital**  
The financial resources driving the Company comprise mobilisations from investors, promoters, banks and financial institutions (debt or net worth).



**Manufactured capital**  
The Company's manufacturing infrastructure, technologies and equipment constitute its manufactured capital.



**Human capital**  
The Company's management, employees and contractual workers constitute its human capital.



**Intellectual capital**  
The Company's repository of proprietary knowledge forms a part of its intellectual capital.



**Social capital**  
The Company's enduring ties with the stakeholder community and brand partners influence our role as a responsible corporate citizen.

## Strategic response

### Key enablers



Employee focus

- The Company is an employer of more than 1000 people across locations.
- The Company has adequate training facilities for new recruits.



Customer focus

- The Company focused on sustaining its superior product quality
- The Company widened its product portfolio
- The Company invested in modernisation to enhance paper quality



Shareholder focus

- The Company optimised costs following investments in technologies and debottlenecking



Community focus

- The Company spent ₹0.64 Crores for CSR activities in FY19-20



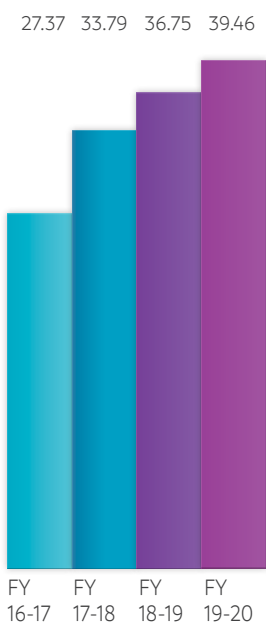
Government focus

- The Company paid ₹68.94 Crores in taxes in FY19-20

## Our value-creation in numbers

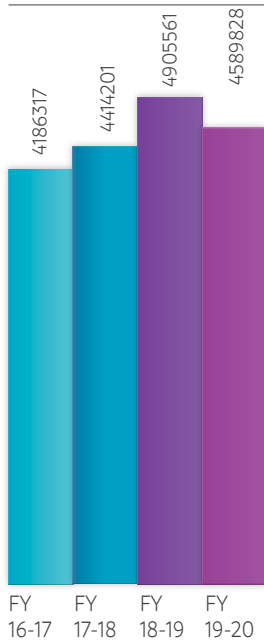
### Employee value

#### Salaries and wages (₹ Crores)



The Company has invested a progressively larger amount in employee remuneration, underlining its role as a responsible employer.

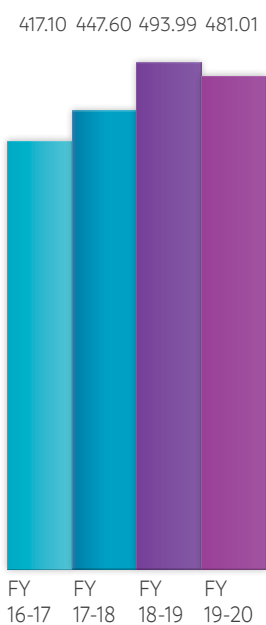
#### Revenue per person (₹)



The Company's investment in its people (training, empowerment and career growth) translated into increased productivity as measured in terms of revenue per person.

### Customer value

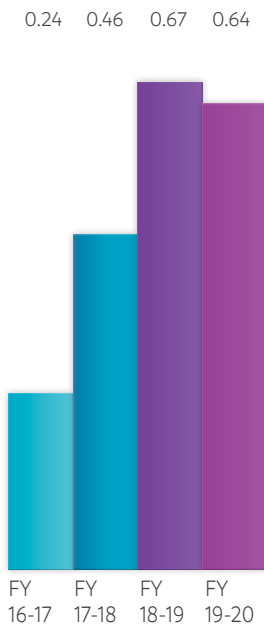
#### Revenues (₹ Crores)



The Company has generated increased revenues, an index of the value created for customers.

### Community

#### CSR Spending (₹)



The Company's investment in its people (training, empowerment and career growth) translated into increased productivity as measured in terms of revenue per person.

## Business enablers#1

# Deepening sustainability through manufacturing excellence

### Overview

In the business of paper manufacturing, there is a premium on extending the technology frontier, enhancing operating efficiency, making continuous improvements and manufacturing a range of quality products.

The Company focused on a singular agenda: generating more from less. This philosophy was not only

confined to generating an optimal quantum of the end product from a given raw material resource; it also extends to the Company maximising output from available equipment and infrastructure. The Company extended into each component of the manufacturing process and periodically invested in different processes.

The Company manufactures

different grades of writing & printing paper and kraft paper using agricultural residues (bagasse, wheat straw and waste paper for kraft paper). During the year under review, the Company forayed into manufacturing copier paper, amortising fixed costs effectively. The competitiveness of this product is being derived from nearly 85% of the resource being agricultural residue and not wood.

## Strengths

### Contemporary technology:

Over the years, the Company prudently invested in cutting-edge technologies to enhance productivity. The Company invested in 8.1 MW captive power plant at its Kala Amb facility to source 100% of the power requirement of writing & printing paper from within.

**Strategic location:** The Company's strategic plant locations resulted in enhanced access to adequate raw materials, skilled workers and power.

**Certifications:** The plant is ISO 9001:2008 and FSC certified, providing a scalable foundation.

**Asset utilisation:** The Company has progressively enhanced

capacity utilisation, revenues and amortisation economies.

**Environment friendly:** The Company manufactured paper using agricultural residues (wheat straw, bagasse, sarkanda, softwood pulp and waste paper), a relatively economical and sustainable raw material.

## Highlights, FY19-20

- The Company produced 82,453 MT of Kraft paper in FY19-20 compared to 77,287 MT in FY18-19.
- The Company produced 51,595 MT of writing & printing paper in FY19-20 compared to 51,544 MT in FY18-19.
- The proportion of value-added coloured paper in the writing & printing paper product mix stood at 23.13% in FY19-20.
- The Company rationalised power consumption related to the manufacture of writing & printing paper and kraft paper from 1155 units/ton in FY18-19 to 1135 units/ton in FY19-20 and from 434 units/ton in FY18-19 to 420 units/ton in

FY19-20 respectively.

- The Company lost nearly 10 days of production due to the national lockdown following the outbreak of COVID-19 during FY19-20.
- The Company consciously increased bagasse inventory to ensure an uninterrupted raw material supply.
- The Company installed and commissioned a new film size press during Q4 FY19-20 for manufacturing copier paper
- The Company envisaged replacing its longstanding turbine of 5.6 MW with a 6.1 MW equivalent using the same steam quantum.

## Outlook, FY20-21

Going forward, the Company intends to increase production and moderate cost per unit, strengthening competitiveness.

1,34,048  
(tons), total  
production,  
FY19-20

1,28,831  
(tons), total  
production,  
FY18-19



## Business enablers#2

# Reinforcing sustainability through our marketing capability

### Overview

The Indian paper market is fragmented and marked by low entry barriers. In this competitive scenario, it is imperative to efficiently market products around customer needs resulting in quicker offtake.

At Ruchira, we market a diverse product range addressing wide customer needs. Over the years, the Company differentiated from

industry peers in a competitive market through responsive marketing and branding approaches, aligning offerings around customer needs.

The Company's extensive distribution relationships facilitated quick sales; the pan-India distributor family for writing and printing segment (around 50 across India) enhanced product accessibility

right down to small population clusters. The Company markets and sells special grade of Kraft Paper for textile tube manufacturer in Maharashtra and Gujarat; during the year under review, it launched copier paper. The Company encountered a consumption slowdown on account of a national liquidity crunch that was aggravated by the COVID-19 outbreak.

## Strengths

**Brand recall:** The Company enjoys a strong brand recall owing to superior quality, product availability and a wider product bouquet.

**Timely delivery:** The Company's service is marked by on-time delivery, making it possible for customers to nurse lower

inventories and minimum requirement of working capital.

## Highlights, FY19-20

- Net sales realisations declined 8% to 10% in the writing and printing paper and kraft paper segments respectively.
- Overall sales volume increased 9.74% to 1,37,211 tons, a creditable achievement considering that the Company lost nearly 10 days of production due to the national

lockdown following the outbreak of Covid-19 during FY 2020.

- The Company increased the proportion of value-added paper varieties in the product mix – from 14.90% in FY14-15 to around 25% in FY19-20.

## Outlook, FY20-21

Going forward, the Company has a singular focus: to maximise product sale. The Company is optimistic to get the benefit of economies of scale and to improve its operating efficiencies for strengthening of bottom line of the Company.

## Revenue mix, FY19-20

**57.72%**  
Proportion of revenue generated from writing and printing paper

**42.28%**  
Proportion of revenue generated from kraft paper

## Revenue mix, FY18-19

**61.46%**  
Proportion of revenue generated from writing and printing paper

**38.54%**  
Proportion of revenue generated from kraft paper

### Business enablers#3

## Building sustainability through financial competence

### Overview

The sector of the Company's presence is marked by players trying to balance the divergent priorities of capacity expansion and overhead optimisation. In such a scenario, the prudent management

of funds assumed significance. The Company's finance team monitors financial health in real-time and undertakes corrective actions whenever necessary.

During the year under review, the Company embarked on a ₹44 Crores

modernisation programme within its writing & printing paper unit with the objective to enhance overall competitiveness. This modernisation programme shall be funded through a debt-equity ratio of 1:1 with ₹22.38 Crores generated from accruals.

### Strengths

**Lower debt:** The Company's long-term debt stood at ₹7.33 Crores as on 31st March 2020; the debt-equity ratio stood at 0.06x in FY19-20.

**Positive cash flow:** The Company reported ₹41.09 Crores of cash profit in FY19-20.

**Stable rating:** The Company's credit rating stood at CARE BBB+, indicating adequate safety.

### Highlights, FY19-20

- The Company maintained its working capital cycle at 86 days of turnover equivalent in FY19-20.
- The average cost of working capital mobilised from banks

declined from a peak of 11.86% in FY15-16 to 9.62% in FY19-20.

- The Company utilised only around 75-80% of its sanctioned working capital

- The Company's interest coverage ratio stood at a comfortable 6.42x despite the market sluggishness

### Outlook, FY20-21

Going forward, the Company intends to protect the integrity of its Balance Sheet by strengthening its bottom line.

# Building our business the responsible way

## Overview

A growing number of global manufacturers are recognising financial and environmental benefits from sustainable business practices. Besides, stringent environmental norms and regulating agencies are helping reduce resource depletion, water scarcity, pollution and harmful impacts.

The result of these realities is a greater emphasis on sustainable manufacture. This comprises the manufacturing of products through economically sound processes that moderate the consumption of energy and natural resources while reducing negative environmental impact, in addition to enhancing employee, community and product safety.

Besides, there is a growing emphasis on aligning business existence with United Nations' 10 principles for manufacturing responsibility and environmental sustainability covering Human Rights, Labour interests, Environment responsibility and Anti-Corruption initiatives.

## Ruchira's way

At Ruchira Papers, we believe that in a business where regulatory compliances are increasingly demanding and where the penalty for transgression is severe, success is derived from the ability to be a responsible corporate citizen.

Over the years, the Company has reinforced responsible growth through various initiatives.

**One**, the Company made a

fundamental choice towards responsible growth through the consumption of renewable agro-based raw materials, reinforcing its positioning of '**Committed to the earth**'.

**Two**, the Company invested proactively in equipment and processes (chemical recovery system, effluent treatment plant and power cogeneration unit).

**Three**, the Company's process eliminated the use of harsh chemicals, consuming less energy and less water on the one hand and promoting the use of renewable resources on the other.

The result of this forward-looking commitment has translated into a moderated consumption of water, energy and raw material resources – **the ability to reduce carbon footprint**.

## Our environment commitment

### Agriculture waste as raw material

The Company utilised an interchangeable mix of agricultural residues like wheat straw, bagasse, waste paper and sarkanda as raw material, strengthening its environment-friendliness. This not only helped in moderating raw material costs but also in enhancing the Company's capability in sustainable resource sourcing.

### Effluent treatment plant

The Company installed a state-of-the-art effluent treatment plant in its manufacturing facility in Kala Amb with an automated oxygen injection system to improve the

quality of discharged water. This helps in providing pure oxygen through turboxal in the total area of aeration basin. The system (patented by Air Liquid France) has proved efficient in maintaining a high quality of MLSS.

During the year under review, the Company proposed a modification in its effluent treatment plant, which will be marked by a sharp reduction in the BOD and COD content in effluents that should reinforce the Company's respect as an environment-committed paper manufacturer.

### Chemical recovery plant

The Company's chemical recovery plant recycles black liquor generated from the pulping process, reducing costs and carbon footprint. This chemical recovery plant recovers 90%-92% of caustic soda used for captive consumption at a minimal cost compared to the purchased caustic soda.

### Captive power plant

The Company's investment in a 8.1 MW captive power plant at its Kala Amb facility helps source 100% of the power requirement of writing & printing paper from within.

# Corporate social responsibility

## Overview

At Ruchira, we have been following the ideology of giving back to the society since inception, much before it became mandatory for organisations to allocate a portion of its profit towards CSR initiatives.

Our role is defined by a number of priorities.

**One**, we believe in sharing our success with communities.

**Two**, our corporate social responsibility projects are aligned with national and regional priorities.

**Three**, we have extended beyond mere cheque-writing to a deeper engagement with the objective to make a lasting difference.

**Four**, we believe in making initial investments where a moderate engagement from our side can translate into disproportionately larger societal impact.

**Five**, we focus on responsible engagement where we empower beneficiaries to assume control of their lives.

## Commitment, FY19-20

During the financial year under review, the Company spent ₹63.85 Lakhs in CSR initiatives carried out under the aegis of the Company, Ruchira Charitable Trust and Rotary Foundation, India. The Company focused on initiatives in the areas of education, health and sanitation, backward society development, animal welfare, environmental protection and the promotion of sports.

### Promotion of education

- Constructed one new room at Government Primary School of Kala Amb and repaired rooms at government schools of village Johron, Kala Amb.
- Constructed a culvert at village Dera near Kala Amb.
- Distributed sweaters, shoes and basic amenities to students of government schools in the Kala Amb area.

### Relief measures

- Contributed towards protecting against COVID-19, emphasising our status as a responsible corporate citizen

### Healthcare

- Contribution to Rotary Foundation to provide free medicines and treatment to patients.

# Management discussion and analysis

## Global economic overview

The global economy grew 2.9% in 2019 compared to 3.6% in 2018. This sharp decline was precipitated by an increase in global trade disputes that affected the cross-border movement of products and services, a slowdown

in the global manufacturing sector, weak growth coming out of some of the largest global economies and the impact of Brexit. The result was that global trade grew a mere 0.9% in 2019, pulling down the overall economic growth average. The

'Great Lockdown', as a result of the pandemic COVID-19, is projected to shrink the global growth significantly starting from the calendar year 2020.

(Source: World Economic Outlook, April 2020, CNN, Economic Times, trading economics, Statista, CNBC)

## Global growth over the years

Year	World output	Advanced economies	Developing and emerging
2015	3.5	2.3	4.3
2016	3.4	1.7	4.6
2017	3.9	2.5	4.8
2018	3.6	2.2	4.5
2019	2.9	1.7	3.7

(Source: IMF)

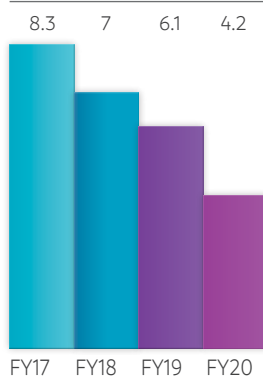
## Indian economic review

India emerged as the fifth-largest world economy in 2019 with a gross domestic product (GDP) of US\$ 2.94 trillion. India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking.

There was a decline in consumer spending that affected India's GDP growth during the year under review. India's growth for FY19-20 was estimated at 4.2% compared with 6.1% in the previous year. Manufacturing growth was seen at 2%, a 15-year low as against 6.9% growth in FY18-19.

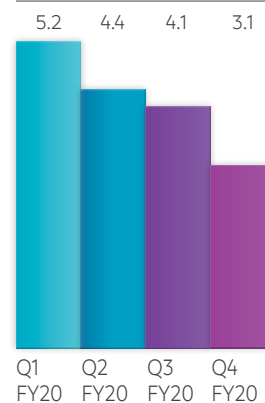
## Y-o-Y growth of the Indian economy

Real GDP growth (%)



## Growth of the Indian economy, FY19-20

Real GDP growth (%)



(Source: Economic Times, CSO, Economic Survey, IMF, EIU)

A sharp slowdown in economic growth and a surge in inflation weighed on the country's currency rate; the Indian rupee emerged as one of the worst performers among Asian peers, marked by a depreciation of nearly 2% since January 2019. Retail inflation climbed to a six-year high of 7.35% in December 2019.

The government moderated the corporate tax rate to 22% from 25%; it announced a new tax rate of 15% for new domestic manufacturing companies, strengthening the Make-in-India initiative. The new effective CIT would be 25.17%, inclusive of a new lower surcharge of 10% and cess of 4%. India's CIT is now closer to the global average statutory CIT of 23.03%. During the last week of the financial year under review, the national lockdown affected freight traffic, consumer offtake and a range of economic activities.

### Outlook

Various forecasts have estimated a sharp de-growth in the Indian economy for the current financial year, the first such instance of de-growth in decades.

### Global pulp and paper industry overview

The pulp and paper industry is one of the largest industries in the world and was pegged at US\$ 63.30 billion in 2019. The packaging industry segment and the food and healthcare sub-segment accounted for the largest market share in 2019. Pulp and paper is used in a wide range of packaging applications in end-user industries such as consumer goods, hygiene, food, industrial packaging, and agricultural films. Currently, North America holds the largest market share of the paper and pulp market due to its growing requirement in the packaging and construction and consumer industry.

Other factors driving the success of the pulp and paper industry are the demand for hygiene products—like paper towels, toilet paper and disposable makeup wipes—and increased economic participation of the global middle class. (Source: Global news wire)

### Indian paper industry overview

India accounts for 4% share of the global paper production. The Indian paper industry size was estimated at ₹70,000 Crores in FY19-20, contributing ₹5000 Crores to the exchequer. Indian paper production was estimated to reach 20.7 million tons in FY19-20. The industry provides direct employment to 5 Lakhs people and indirect employment to 15 Lakhs individuals.

India is the fastest growing paper market, the increasing demand addressed by imports, leading to a relative under-utilisation of domestic manufacturing capacity. The Indian paper industry operated at only 80% of its overall manufacturing capacity, considered low for a capital-intensive and continuous process industry. India's per capita paper consumption is around 13 kg compared to global per capita of 57 kg, indicating headroom for growth.

Paper is an eco-friendly product and bio-degradable. The industry planted more trees than harvested and primary raw material like wood and agro-residues was 100% renewable. A third of new paper comes from recycled paper and an equivalent amount from waste such as sawdust and scrap from lumber mills. In India, companies use 46% raw material from recovered paper, 29% from agro-residue like bagasse, straw etc. and 29% from plantation wood. More importantly, the average cost of recycling of paper is ₹32 per kg (₹20 for the cost of collecting paper trash and ₹12 conversion cost). In comparison, the cost to

the collection of plastic waste is ₹30 to ₹36 per kg and recycling is ₹22 to ₹35 per kg, transporting one tonne of paper costs ₹4.5 per kilometre compared to ₹6.2 in case of plastic.

Energy consumption for paper production is 0.59 to 1.19 tonne of oil equivalent per tonne as opposed to 1.48 to 2.58 a tonne in plastic. According to the study released at the world's largest paper fair, PAPEREX, 55-60% energy can be saved if the paper is used in place of plastic.

Paper industry is going through a transformation phase and now uses less power and water owing to technological changes. Cost of production of recycled paper is at least 30 to 40% cheaper depending upon the location than the recycled plastic.

The Indian paper market can be classified on the basis of raw material and application. On the basis of raw materials used, the market is categorised into waste and recycled paper, wood and agro-residue, of which the waste and recycled paper segment is expected to grow faster owing to growing concerns about felling trees to produce pulp. On the basis of application, the market is classified into writing and printing paper, paperboard and packaging, newsprint and specialty paper. The packaging segment accounts for over 50% of the total paper demand, followed by writing & printing paper at 30%. However, the demand for WPP was affected by the closure of most educational institutions since the beginning of March 2020 due to the COVID-19 pandemic and work from home.

(Source: New Indian Express, Paper first, Business Today)

## India's paper industry: An attractive long-term opportunity

### Demand

9.3

Paper demand, 2008 (in million tons)

17.1

Paper demand, 2018 (in million tons)

### Output

16.7

Paper produced, FY16-17 (in million tons)

22.0

Estimated paper production, FY24-25 (in million tons)

### Consumption

13

India's per capita paper consumption, 2017 (in kg)

17

(Estimated India's per capita consumption, FY24-25 (in kg)

### Offtake

6.3

India's writing paper consumption, FY16-17 (in million tons)

9.3

Estimated India's writing paper consumption, FY21-22 (in million tons)

### Growth

9.4

India's packaging paper consumption in FY16-17 (in million tons)

15.2

Estimated India's packaging paper consumption in FY21-22 (in million tons)

### Consumption

4.51

India's print media market size, FY16-17 (in US\$ billion)

6.69

India's projected print media market size, FY20-21 (in US\$ billion)

### Literacy

74

India's literacy rate in 2017 (in %)

90

India's projected literacy rate in 2020 (in %)

### Population

1.36

India's current population in 2019 (in billion)

1.50

India's expected population by 2022 (in billion)

### Income

1,35,050

India's per capita income, 2019 (in ₹)

1,26,406

India's per capita income, 2018 (in ₹)

## E-commerce

665

India's total internet user base in 2019 (in millions)

829

India's projected total internet user base by 2021 (in millions)

US\$ 49

Overall transaction value of Indian e-commerce market in 2019 (in billions)

US\$ 91

Projected overall transaction value of Indian e-commerce market by 2023 (in billions)

(Source: Economic Times, IBEF, Live Mint, Paper first, Business Today)

## Demand drivers for India's paper industry

### Rising incomes

The nominal per-capita net national income during FY19-20 is estimated at ₹1,35,050, a rise of 6.8% compared to ₹1,26,406 during FY18-19. (Source: MoSPI)

### Urbanisation

Nearly 34% of India's population resides in urban areas. It is projected to increase to ~40% by 2030, driving paper demand.

### E-commerce boost

India had an internet user base 665 million in 2019 and projected to reach 829 million by 2021. The projected transaction size of the e-commerce market was estimated to reach US\$ 91 billion by 2021, catalysing packaging paper demand.

### Demographic dividend

India's population among the youngest in the world. By 2022, the median age in India will be 28 years, compared to 37 in China and United States. A larger workforce could strengthen domestic demand in a sustainable way. (Source: The Hindu)

### Youth education

India's youth literacy is expected to grow at a rate of 90% by 2020 from 74% in 2017. The rise in national literacy is expected to increase the expenditure on textbooks, notebooks and other paper products.

## Company overview

Established in 1980, Ruchira Papers Limited is stewarded by Umesh Chander Garg, Jatinder Singh and Subhash Chander Garg. The Company commenced operations with a manufacturing capability of 7 tons per day (TPD) of Kraft paper, which has since increased to 400 TPD of kraft paper and writing and printing paper. The Company's manufacturing unit is situated in Kala-Amb, District Sirmaur, Himachal Pradesh. During the year under review, the Company forayed into the manufacture and marketing of copier paper, de-risking its product portfolio.

## Financial performance

### Revenues

Revenue during the year stood at ₹481.01 Crores, decreasing by 2.63% compared to ₹493.99 Crores in FY18-19.

### Interest and finance costs

Net interest and finance costs increased by 28 bps during the year due to a revision in spread by the lender.

### Profit after tax

The Company registered a profit after tax of ₹27.37 Crores compared to ₹40.23 Crores in the previous year.

### Key numbers

Particulars	FY19-20	FY18-19
Turnover (₹ in Crores)	481.01	493.99
Debt-equity ratio	0.06	0.11
Return on equity (%)	10.13	16.29
Earnings per share (₹)	11.29	17.43
Current Ratio (Times)	1.68	1.60
Debtors' turnover (days)	48	47
Inventory turnover (times)	6.09	6.56
Operating profit margins (%)	6.31	13.97
Net profit margins (%)	5.69	8.14



## Risk management

### Competition risk

Increase in the number of competitors could lead to reduced market share and profitability.

**Mitigation:** Over the years, the Company has established itself as one of the leading printing and kraft paper manufacturers in North India (using agricultural residues).

### Raw material risk

Unavailability of raw materials could affect operations.

**Mitigation:** The Company uses a nominal amount of imported softwood pulp. The Company uses available resources like bagasse (byproduct of the sugarcane industry), wheat straw, sarkanda and long-fibres like indigenous and imported waste paper. The Company keeps sufficient stock of Baggage for its availability throughout the year.

### Liquidity risk

A liquidity crunch could affect operations.

**Mitigation:** The Company's working capital cycle was at 86 days during FY19-20, while its debt-equity ratio strengthened from 0.11 to 0.06.

### Environment risk

Inability to comply with environmental regulations could lead the disruption in the Company's operations.

**Mitigation:** The Company invested in a state-of-the-art effluent treatment and chemical recovery plant to ensure the recycling of the entire black liquor generated in the pulping process.

### Quality risk

Inability to service the customers with quality products could affect the demand for the Company's products.

**Mitigation:** The Company emphasises quality products and has multiple procedures in place to ensure this. The result is that the Company has been accredited with ISO 9001:2015, validating its quality commitment.

### People risk

Lack of qualified professionals could affect quality.

**Mitigation:** The Company emphasises the training and development of employees, which increases the productivity.

## Internal control systems and their adequacy

The Company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The audit committee reviews reports presented by the internal auditors on a routine basis. The committee makes note of the audit observations and takes corrective actions, if necessary. It maintains constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

## Human resources

The Company believes that the quality of the employees is the key to its success and is committed to equip them with skills, enabling them to seamlessly evolve with ongoing technological advancements. During the year, the Company organised training programmes in different areas such as technical skills, behavioural skills, business excellence, general management, advanced management, leadership skills, customer orientation, safety, values and code of conduct. The Company's employee strength stood at 1048 as on 31st March 2020.

## Cautionary statement

The Management Discussion and Analysis report containing your Company's objectives, projections, estimates and expectation may constitute certain statements, which are forward looking within the meaning of applicable laws and regulations. The statements in this management discussion and analysis report could differ materially from those expressed or implied. Important factors that could make a difference to

the Company's operation include raw material availability and prices, cyclical demand and pricing in the Company's principal markets, changes in the governmental regulations, tax regimes, forex markets, economic developments within India and the countries with which the Company conducts business and other incidental factors.



# Corporate Information

## BOARD OF DIRECTORS

(as on 31.03.2020)

### Chairman & Whole Time Director

Subhash Chander Garg

### Co-Chairman & Whole Time Director

Jatinder Singh

### Managing Director

Umesh Chander Garg

### CFO & Executive Director

Vipin Gupta

### Independent Directors

Dalbir Singh

Surinder Kumar Gupta

Swatantar Kumar Dewan

Avtar Singh

Suhasini Yadav

### Company Secretary

Vishav Sethi

## Senior Executives

Parveen Garg, *Senior Vice-President (CSR)*

Deepan Garg, *VP (Technical)*

Jagdeep Singh, *VP (Operations)*

Daljeet Singh, *VP (Commercial)*

Lucky Garg, *VP (Marketing)*

Ruchica G Kumar, *VP (Marketing)*

Atul Garg, *VP (Administration)*

Radhika Garg, *VP (Marketing-NR)*

## Registered Office & Works

Trilokpur Road, Kala Amb,

Distt. Sirmour, Himachal Pradesh-173030

## Bankers

Punjab National Bank

## Statutory Auditors

### Subhash Sajal & Associates

*Chartered Accountants*

1766, New Christian Colony,

Near Civil Hospital, Jagadhri,

Haryana-135003

## Registrar & Share Transfer Agent

### Link Intime India Pvt. Ltd

Noble Height, 1st Floor,

Plot No. NH-2, C-1 Block, LSC

Near Savitri Market, Janakpuri,

New Delhi-110058

## Company's Website

[www.ruchirapapers.com](http://www.ruchirapapers.com)

## Corporate Identification Number

L21012HP1980PLC004336

# Directors' Report

We are delighted to present report of directors on our business and operations for the year ended 31st March, 2020.

## FINANCIAL RESULTS:

The Company's financial performance for the year ended 31st March 2020 is summarized below:

		(₹ In Lakh)	
Sl. No.	Particulars	2019-20	2018-19
I	Revenue from Operations (Net of Excise Duty)	48101.40	49399.04
II	Other Income	153.86	189.10
III	Total Revenue (I+II)	48255.26	49588.14
IV	Expenses		
	Cost of materials consumed	32273.88	31085.70
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	529.39	(1119.53)
	Employee benefits expense	4647.15	4337.53
	Finance Cost	686.09	809.93
	Depreciation and amortization expense	1371.99	1308.84
	Other expenses:		
	i) Manufacturing Expenses	5364.56	5862.43
	ii) Selling, Distribution and Establishment exp.	880.12	1020.94
	Total expenses	45753.18	43305.84
V	Profit before exceptional and extraordinary items and tax (III-IV)	2502.08	6282.30
VI	Exceptional items	(11.53)	40.37
VII	Profits before extraordinary items and tax (V-VI)	2513.61	6241.93
VIII	Extraordinary items (Net of Tax Expense)	-	-
IX	Profits Before Tax	2513.61	6241.93
X	Tax Expenses		
	1) Current Tax	630.01	2005.58
	2) Deferred Tax	(853.82)	212.85
XI	Net Profit for the period	2737.42	4023.50
XII	Other Comprehensive income/(loss)		
	Items that will not be reclassified to profit or (loss)		
	Re-measurement of net defined benefits plans	(77.12)	(67.14)
	Income tax related to these items	(19.76)	(23.46)
	Total comprehensive income	2680.06	3979.82
	Paid-up equity share capital	2425.18	2425.18
	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	24031.55	22009.32
	Earnings per equity share of ₹10/- each		
	Basic	11.29	17.43
	Diluted	11.29	17.43



## CORPORATE OVERVIEW

The Company is engaged in the business of manufacturing of Kraft Paper and Writing & Printing Paper. The Kraft Paper is being manufactured by using waste paper and agriculture residues, such as Bagasse, wheat straw, sarkanda. The Writing and Printing Paper is being manufactured by using agricultural residues, such as wheat straw, Bagasse, sarkanda, Softwood Pulp and other materials. The Company has made proactive investments in chemical recovery, effluent treatment and power co-generation plants on the one hand and the consumption of renewable agro-based raw material on the other. Our Tagline “committed to the earth” reflects our commitment.

## OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE AND OPERATIONS

The Company registered a volume growth of 4.05% during FY 20 and achieved total production of 134048 MT against production of 128831 MT in FY 19. The Production of the Kraft Paper Unit was 82453 MT in FY 20, registered a growth of 6.68% as compared to 77287 MT in FY 19. The production of Writing and Printing Paper remained at the same level at 51595 MT in FY 20 as Compared to 51544 MT in FY 19. For FY 2020, total revenue of the Company stood at ₹48101.40 Lakh as compared to ₹49399.04 Lakh in the same period of previous year. EBITDA stood at ₹4406.28 Lakh in FY20 as compared to ₹8211.98 Lakh in FY19. The revenue sharing between Writing and Printing Paper & Kraft Paper remained at 57.72% and 42.28% respectively. The Company recorded an EBITDA margin of 9.16 % in FY20 as compared to 16.62% in FY 19. The net profit in FY20 stood at ₹2737.42 Lakh, as compared to ₹4023.50 Lakh in FY19. The main reason for decline in revenue during FY 20 was decline in Net Sales Realizations (NSR) by 8% to 10% in Writing and Printing paper and Kraft Paper without commensurate the decline in Raw Material Prices. The NSR of Writing and Printing Paper declined from ₹59012/- PMT in FY 19 to ₹54115/- in FY 20 and NSR of Kraft Paper declined from ₹25871/- PMT in FY 19 to ₹23676/- PMT in FY 20.

The accelerated outbreak of Coronavirus (Covid-19) across the globe and in India, has substantially disrupted the economic activities with high uncertainty. On 11th March 2020, the Covid-19 outbreak was declared a global pandemic by the World Health Organization (WHO). Consequent to this, Government of India declared lockdown on 24th March 2020, which was further extended from time to time. In line with Government directive, the Company had temporarily shut down its manufacturing operations since 23rd March 2020, impacting working of the Company. Operations of the Company has gradually started resuming during April and May 2020.

## INDIAN ACCOUNTING STANDARDS (IND AS)

The financial results for the year ended 31st March 2020 have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 and other GAAP in India.

## DIVIDEND

The matter of recommendation of dividend was discussed by the Board. The Board decided to conserve liquidity in the present environment. Hence no dividend has been recommended for FY 2019-20.

## TRANSFER TO RESERVES:

The Company do not propose to transfer any amount to the General Reserve out of the amount available for appropriations.

## EXPANSION:

During the year under review, no major expansion undertaken by the Company. The Board of Directors had approved the modernization and up gradation programme by modifying the existing size press with the installation of new film size press, replacement of power turbine with higher efficiency, up gradation of recovery boiler and ETP up gradation having capex of ₹44 Crore (approx.). Out of above the new film size press has already been installed during Q4 of FY 20 and it is under operation since then. The other shall be completed in the current FY.

## CREDIT RATING:

During the year under review, the facility wise credit rating is as under:

Facilities	Rating
Long Term Bank Facilities	CRISIL BBB+/STABLE (Reaffirmed)
Short Term Bank Facilities	CRISIL A2 (Assigned)

## CHANGES IN THE NATURE OF BUSINESS, IF ANY:

There was no change in the nature of business of the Company during the financial year ended 31st March 2020. Further there have been no material changes and commitments affecting financial position of the Company from the end of financial year till the date of this report.

## SHARE CAPITAL AND LISTING OF SHARES:

During the year under review, there is no change in paid up capital of the Company. The shares of the Company are listed at “Bombay Stock Exchange (BSE)” and “National Stock Exchange of India (NSE)”.

## DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Board of Directors consists of Nine(9) Directors, out of which Four (4) are Executive Director and Five (5) are Independent Directors including One (1) Woman Director.

Mr. Jatinder Singh, Director retiring by rotation and being eligible, offered himself for re-appointment at the ensuing Annual General Meeting.

The term of office of Sh. Subhash Chander Garg as Whole Time Director, Sh. Umesh Chander Garg as Managing Director and Sh. Jatinder Singh as Whole Time Director shall expire on 31st August 2020. The Board of Directors on the recommendation of the Nomination and Remuneration committee and Audit Committee, has recommended their re-appointment for the further period of 5 years w.e.f 01st September 2020 subject to approval of the Shareholders in the ensuing Annual General Meeting through Special Resolution.

During the period under review, Mr. Dalbir Singh, Mr. Avtar Singh, Mr. Swatantar Kumar Dewan, Mr. Surinder Kumar Gupta and Mrs. Suhasini Yadav were re-appointed as an Independent Directors of the Company by the members at the 39th Annual General Meeting of the Company held on 25th September 2019 to hold office for a second term of five consecutive years commencing from 25th September 2019 up to 24th September 2024.

Independent Directors have given declarations that they meet the criteria of independence as prescribed under the provisions of the Companies Act, 2013 read with schedules and rules issued as well as Regulation 16(1)(b) of Listing Regulations.

### **ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF DIRECTORS:**

In terms of applicable provisions of the Companies Act, 2013 read with Rules framed there under and provisions of Listing Regulations and on the recommendation of Nomination and Remuneration Committee, the Board of Directors has put in place a process to formally evaluate the effectiveness of the Board, its Committees along with performance evaluation of each Director carried out on an annual basis. Accordingly, the annual performance of the Board, its committees and each director was carried out for the Financial Year 2019-20. The Independent Directors at their separate meeting held on 18th March 2020 have reviewed the performance of non-independent directors, Chairman and Board as a whole along with review of quality, quantity and timeliness of flow of information between Board and management and expressed their satisfaction over the same. Further the Board, in its meeting held on May 30, 2020 also reviewed the performance of the Board, its committees and all Individual Directors of the Company and expressed its satisfaction over the performance of the Board, its Committees and individual Directors. Furthermore Board is of the opinion that Independent directors of the Company are persons of high repute,

integrity & possess the relevant expertise & experience in their respective fields.

Criteria for evaluation of individual Directors include aspects such as professional qualifications, prior experience, especially experience relevant to the Company, knowledge and competency, fulfillment of functions, ability to function as a team, initiative, availability and attendance, commitment, contribution, integrity, independence and guidance/ support to management outside Board/ Committee Meetings. In addition, the Chairman is also evaluated on key aspects of his role, including effectiveness of leadership and ability to steer meetings, impartiality, ability to keep shareholders' interests in mind and effectiveness as Chairman.

Criteria for evaluation of the Committees of the Board include mandate and composition; effectiveness of the Committee; structure of the Committee; regularity and frequency of meetings, agenda, discussion and dissent, recording of minutes and dissemination of information; independence of the Committee from the Board; contribution to decisions of the Board; effectiveness of meetings and quality of relationship of the Committee with the Board and management.

In terms of the Section 203 of the Companies Act, 2013, the following are the Key Managerial Personnel of the Company as on the date of this report.

1. Mr. Subhash Chander Garg- Chairman & Whole Time Director
2. Mr. Jatinder Singh- Co Chairman & Whole Time Director
3. Mr. Umesh Chander Garg- Managing Director
4. Mr. Vipin Gupta- CFO & Executive Director
5. Mr. Vishav Sethi- Company Secretary & Compliance Officer

### **FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:**

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at <http://www.ruchirapapers.com/investors.html>.

### **PUBLIC DEPOSITS:**

The Company has not accepted any public deposits within the meaning of Section 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits)



Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force) and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of Balance Sheet.

## **SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:**

The Company does not have any Subsidiary, Joint Ventures or Associate Company as on 31st March 2020.

## **MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

Management Discussion and Analysis forms an integral part of this report and gives details of the overall industry structure, economic developments, performance and state of affairs of your company, risk management systems and other material developments during the Financial Year 2019-20.

## **CORPORATE GOVERNANCE:**

Your Company continues to be committed to good Corporate Governance aligned with good practices. A separate report on Corporate Governance along with Auditors' Certificate on compliance with the Corporate Governance as stipulated in Regulation 34 of the Listing Regulations forms an integral part of this Annual Report.

## **HUMAN RESOURCE MANAGEMENT:**

Our Employees are most valuable assets of the Company. We encourage innovation, meritocracy and the pursuit of excellence. We have setup a scalable recruitment and human resources management process, which enables us to attract and retain employees. Cordial employee relations were maintained throughout the year in the Company. The directors express their appreciation for the contribution made by employees to operations of the Company during the year.

## **CORPORATE SOCIAL RESPONSIBILITY:**

Your Company has constituted an independent Corporate Social Responsibility Committee pursuant to section 135 of the Companies Act, 2013.

### **Company's Philosophy:**

The Company's CSR philosophy is based on the belief that a successful business can develop only by creating a prosperous society around. Reaching out to deprived communities is part of the Company's vision and its CSR initiatives aim at supplementing government endeavors' to help the citizens in the vicinity to achieve better living standards and good quality of life. The Company has been engaging with civil society, public at large through dissemination of its CSR initiatives.

The Company would also undertake other need based initiatives in compliance with Schedule VII of the Act.

### **Corporate Social Responsibility Policy:**

The Company has adopted a Corporate Social Responsibility Policy as required under section 135 of the Companies Act, 2013 for the activities covered under Schedule VII of the Act. The CSR Policy may be accessed on the Company's website at the link: [http:// www.ruchirapapers.com/investors.html](http://www.ruchirapapers.com/investors.html).

The Annual Report on CSR activities is annexed herewith marked as Annexure-I.

### **RISK MANAGEMENT:**

Your Directors continually evaluate the risks faced by the Company which could affect its business operations or threaten its existence. The Company takes appropriate risk containment measures and manages the same on an ongoing basis. The Company has adopted a Risk Management Policy pursuant to Section 134 of the Act.

### **INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY**

The Directors have laid down internal financial controls to be followed by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and the completeness of the accounting records and the timely preparation of reliable financial information. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

### **EMPLOYEE STOCK OPTION SCHEME:**

At present, the Company is not having any Employee Stock Option Scheme.

### **INSURANCE:**

The assets of Company are adequately insured against loss of fire, riot, earthquake, flood etc. and other risks which are considered necessary by the Management.

### **AUDITORS AND AUDITOR'S REPORT:**

Pursuant to provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, at the 38th Annual General Meeting held on 28th September 2018, M/S Subhash Sajal & Associates, Chartered Accountant (Registration No. 018178N) were re-appointed as Statutory Auditors of the Company to hold office until the conclusion of 43rd Annual General Meeting at such remuneration and out of pocket expenses, as shall be fixed by the Board of Directors of the Company. The Ministry of Corporate Affairs has vide notification dated 7th May 2018 obliterated the requirement of seeking Member's ratification at every AGM on appointment of Statutory Auditors.

**AUDITOR'S REPORT:**

M/S Subhash Sajal & Associates, Chartered Accountants, Statutory Auditors of the Company have submitted Auditor's Report on the financial statements of the Company for the Financial Year ended March 31, 2020. The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. The Auditor's Report for the financial year ended 31st March 2020 does not contain any qualification, reservation or adverse remark.

**COST-AUDITORS:**

Maintenance of Cost Records as specified by Central Govt. under sub section (1) of section 148 of Companies Act, 2013 is applicable to the Company and accordingly such accounts and records are made and maintained by the Company.

The Board of Directors of your Company, on the recommendations made by the Audit Committee at its meeting held on 29th June 2020 has approved the re-appointment of M/s Sanjay Kumar Garg & Associates, Cost Accountants as Cost Auditors of the Company for the financial year 2020-21. The remuneration proposed to be paid to the Cost Auditor, subject to your ratification at the ensuing Annual General Meeting is ₹70,000 (Seventy Thousand Only) excluding taxes and out of pocket expenses, if any. The appointment of the Cost Auditor has been intimated to the Central Government.

The Cost Audit report for the Financial Year 2018-19 has been filed by the Cost Auditors with the Ministry of Corporate Affairs, Govt. of India. Whereas Cost Audit Report for the Financial Year 2019-20 will be submitted by Cost-Auditors with Ministry of Corporate Affairs with in prescribed time.

**SECRETARIAL AUDITOR:**

M/s. R.K. Bhalla & Associates, Practicing Company Secretary, had been re-appointed as Secretarial Auditors to conduct Secretarial Audit for the financial year 2019-20. The Secretarial Audit Report for the financial year ended March 31st, 2020 is annexed herewith marked as **Annexure -II** to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

As per amended SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, in addition to the above mentioned Secretarial Audit Report, listed company is also required to obtain an Annual Secretarial Compliance Report from a Practicing Company Secretary w.r.t the compliances of all applicable SEBI Regulations, amendments, circulars or guidelines etc. by the Company. Accordingly, the same has been obtained and filed with the concerned Stock Exchange

**INVESTOR EDUCATION AND PROTECTION FUND:**

During the year under review, the Company was not required to transfer any amount to the Investor Education and Protection Fund.

Pursuant to provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded details of unpaid and unclaimed amounts lying as on 25.09.2019 (date of last Annual General Meeting) on Company's website and as also filed with Ministry of Corporate Affairs. The Unclaimed Interim Dividend amount for the year ended 31st March 2013, has already been transferred to Investor Education and Protection Fund on dated 15.05.2020.

Furthermore, in terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) shares on which dividend remains unpaid or unclaimed for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits, if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholder from IEPFA by following the procedure prescribed under the aforesaid rules. Therefore it is in the interest of the shareholders to regularly claim the dividends declared by the Company.

**DISCLOSURES:****CSR Committee**

The CSR Committee comprises Mr. Surinder Kumar Gupta (Chairman), Mr. Umesh Chander Garg, Mr. Subhash Chander Garg, Mr. Jatinder Singh and Mr. Vipin Gupta as members.

**Audit Committee**

The Audit Committee comprises Mr. Dalbir Singh (Chairman), Mr. Surinder Kumar Gupta, Mr. Avtar Singh and Mr. Jatinder Singh as members. All the recommendations made by the Audit Committee were accepted by the Board.

**Nomination and Remuneration Committee**

The Nomination and Remuneration Committee comprises Mr. Dalbir Singh (Chairman), Mr. Surinder Kumar Gupta and Mr. Avtar Singh as members.

The Company's Policy relating to appointment of Directors, payment of Managerial Remuneration, Directors' qualifications, positive attributes, independence of



Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished as **Annexure III** and forms part of this Report.

#### **Whistle Blower Policy/Vigil Mechanism**

The Company has a Vigil Mechanism and Whistle Blower Policy under which the employees are free to report violations of applicable laws, regulations and the code to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee. Further there were no instances of fraud reported to the Audit Committee/Board. The Policy on vigil mechanism and whistle blower policy may be accessed on Company's website at the link <http://www.ruchirapapers.com/investors.html>. The reportable matters may be disclosed to the Vigilance and Ethics Officer, who operates under the supervision of the Audit Committee.

#### **Meetings of the Board**

Four meetings of the Board of Directors were held during the year. For further details, please refer to report on Corporate Governance of this Annual Report. Further a separate meeting of the Independent Directors of the Company was also held on 18th March 2020, where at the prescribed items enumerated under Schedule IV to the Companies Act, 2013 and regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, were discussed. The maximum gap between any two consecutive Board meetings does not exceed 120 days.

#### **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

Energy conservation continues to be an area of major emphasis in your company. A statement giving details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, as stipulated under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is set out herewith as **Annexure-IV** to this Report.

#### **Extract of Annual Return**

The extract of the Annual Return as on 31st March 2020 in form MGT-9 is available on Company's website at <https://www.ruchirapapers.com/financial.html>

#### **Secretarial Standards of ICSI**

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India.

#### **No Default**

The Company has not defaulted in payment of interest and/or repayment of loans to any of the financial institutions and/or banks during the year under review.

#### **RELATED PARTY TRANSACTIONS:**

All Related Party Transactions that were entered into during the year were on an arm's length basis and were in compliance with applicable provisions of the Act and the Listing Regulations. The Board of Directors at their meeting held on 12.02.2018, pursuant to recommendation of Audit Committee, accorded its approval for maximum aggregate value of material related party transactions during the Financial Year and to enter fresh agreement with related parties. The same was further approved by Shareholders' of the Company through Postal Ballot on dated 22.03.2018. The approval was granted with the condition that transaction(s) shall be done at arm's length basis.

A statement of all Related Party Transactions is placed before the Audit Committee for its review on quarterly basis, specifying the nature, value and terms and conditions of the transactions. The particulars of every contract and arrangement entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are disclosed in Form No. AOC-2 in **Annexure-V** and were at arm's length price.

The details of the related party transactions as per IND AS 24 are set out in Note- 28 to the Financial Statements forming part of this report. The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the Link: <http://www.ruchirapapers.com/investors.html>.

#### **DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULAR OF EMPLOYEES:**

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations (Including any statutory modification(s) or re-enactment(s) for the time being in force).

The information required pursuant to Section 197(12) read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, in respect of the Directors/employees of the Company is set out in **Annexure-VI** to this report.

#### **GENERAL:**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:



- a) Details relating particulars of Loans given, Investment made, Guarantee given and Securities provided u/s 186.
- b) Material changes and commitments after the closure of the financial year till the date of this Report, which affects the financial position of the Company.
- c) Issue of equity shares with differential rights as to dividend, voting or otherwise.
- d) Significant or material orders passed by the Regulators or Courts of Tribunals which impact the going concern status and Company's operations in future.
- e) No fraud has been reported by the Auditors to the Audit Committee or the Board.

Your Directors further state that during the year under review, there was no case filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

#### **DIRECTORS' RESPONSIBILITY STATEMENT:**

That pursuant to statement of the Directors' Responsibility on Annual Accounts of the Company referred to in clause (c) of sub-section (3) of Section 134 read with Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm:

- a. that in preparation of annual accounts, the applicable accounting standards and Schedule III of the Companies Act, 2013 had been followed along with proper explanation relating to material departures (if any);
- b. that 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 at the end of the financial year and of profits and loss of the Company for that period;

- 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 assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the directors had prepared Annual Accounts on going concern basis;
- e. that the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

#### **APPRECIATION:**

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 contribution and hard work of Executives, Employees and Workers.

For and on behalf of the Board

Date: 25th August 2020

**Subhash Chander Garg**

Place: Kala-Amb

*(Chairman & Whole Time Director)*



## Annexure-I to Directors' Report

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2019-20

### 1. Brief outline of Company's CSR Policy:

As a responsible business, Ruchira Papers takes pride in being socially inclined and focuses on sustained and effective Corporate Social Responsibility Projects. Today we define Corporate Social Responsibility as the way a Company balances it's economic, social and environmental objectives while addressing stakeholder expectations and enhancing shareholders value. Our employees are also encouraged to volunteer their time and skills and enjoy the experience of giving back to the communities in which they work.

The Company has identified the projects in a participatory manner, in consultation with the interested communities and in consonance with Schedule VII of the Companies Act, 2013. Arising from this, the focus areas that have emerged are the Rural and Infrastructure Development, Providing quality education, Health care, Sustainable livelihood and Environment Sustainability. All of our projects of CSR to be carried by the Ruchira Papers Limited or through the Trust/Society in accordance with the Act and Rules.

Web Link: <https://www.ruchirapapers.com/investors.html>

### 2. Composition of CSR Committee:

Name of the Member	Designation
Surinder Kumar Gupta	Chairman
Subhash Chander Garg	Member
Umesh Chander Garg	Member
Jatinder Singh	Member
Vipin Gupta	Member

### 3. Average net profit of the Company for the previous three financial years.

The average net profit as per Section 198 for the purpose of CSR of three financial years preceding the reporting financial year i.e 2018-19, 2017-18, 2016-17 is ₹55.61 Crore

### 4. Prescribed CSR Expenditure (being Two percent of the amount as in item 3 above)

The Company is required to spend ₹11.21 Lakh

### 5. Details of CSR spent for the Financial Year:

- Total amount spent for the financial year: ₹63.85 Lakh
- Amount unspent if any: ₹47.36 Lakh
- Manner in which the amount spent during the financial year is detailed below:

(₹ In Lakh)

Sl. No.	CSR Project or activity identified	Sector in which project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount Spent	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
1	Construction of School room at Govt. Primary School, Kala Amb, Distt- Sirmaur, H.P	Promotion of Education	Distt- Sirmaur, Himachal Pradesh	₹35.00	₹12.73	₹12.73	Implementing* Agency
2	Repairing of rooms of Govt. School at Vill- Johron, Kala Amb, Distt- Sirmaur, H.P	Promotion of Education	Distt- Sirmaur, Himachal Pradesh		₹1.86	₹1.86	Implementing* Agency

(₹ In Lakh)

Sl. No.	CSR Project or activity identified	Sector in which project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount Spent	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
3	Distribution of Sweater, Shoes, socks, etc at Govt. School at Kala Amb, Jattan wala, Pallion and other primary schools in the area etc	Promotion of Education	Distt- Sirmaur, Himachal Pradesh	₹35.00	₹11.84	₹11.84	Implementing* Agency
4	Other activities related to Promotion of Education Distt- Sirmour , HP- 173030	Promotion of Education	Distt- Sirmaur, Himachal Pradesh		₹2.06	₹2.06	Implementing* Agency
5	Expenditure towards Animal Welfare Teh- Naraingarh, Distt-Ambala Haryana	Animal Welfare	Teh-Naraingarh	₹2.50	₹2.18	₹2.18	Directly/ Implementing* Agency
6	Plantation of trees and other activities relating to environment sustainability and sanitation in Kala Amb, Distt- Sirmaur, HP-173030	Environment sustainability and Sanitation	Distt- Sirmaur, Himachal Pradesh	₹1.00	₹0.67	₹0.67	Implementing* Agency
7	Contribution towards Eradication of Polio/ Medical Mission with Rotary Foundation-INDIA	Promoting health Care	PAN India	₹20.00	₹20.00	₹20.00	Directly/ Implementing Agency#
8	Expenditure/Contribution towards fighting COVID-19	Promoting health Care	Distt- Sirmaur, Himachal Pradesh	₹2.50	₹2.06	₹2.06	Directly/ Implementing* Agency
9	Construction/Extension of Culvert at Vill-Dehra, The-Naraingarh, Distt Ambala.	Rural Development Project	Teh-Naraingarh, Distt-Ambala, Haryana	₹10.00	₹9.79	₹9.79	Implementing* Agency
10	Street Lights Installed at Road Constructed by company Vill- Rampur Jattan Kala Amb	Rural Development Project	Distt- Sirmaur, Himachal Pradesh		₹0.16	₹0.16	Implementing* Agency
11	Contribution towards HP Boxing Association promotion of activities related to sports	Promotion of Sports	Distt- Sirmaur, Himachal Pradesh	₹0.50	₹0.50	₹0.50	Implementing* Agency
				<b>Total</b>	<b>₹63.85</b>	<b>₹63.85</b>	

(\*) Implementing agency- Ruchira Charitable Trust

(#) Implementing agency- Rotary Foundation, India



## 6. Reasons for failure to spend the required amount:

The Company is committed to focus on inclusive growth and improve lives by contributing towards communities around which it operates. The dedicated commitment towards inclusive growth is manifested through the Company's CSR initiatives undertaken around the manufacturing facilities during the financial year 2019-20. During the year, the Company's spend on the CSR activities has been less than the limits prescribed under Companies Act, 2013. We are currently in the process of evaluating strategic avenues for CSR expenditures in

order to deliver optimum impact. In the years to come, we will further augment our efforts to meet the targeted CSR spends.

## 7. Responsibility Statement:

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

**Umesh Chander Garg**  
*Managing Director*

**Surinder Gupta**  
*Chairman-CSR Committee*

## Annexure-II to Directors' Report

## FORM NO. MR-3 SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2020

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of  
the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,  
The Members,  
**Ruchira Papers Limited**  
Tirlokpur Road, Kala Amb  
Himachal Pradesh-173030

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Ruchira Papers Limited** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Ruchira Papers Limited** for the financial year ended on 31st March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during the year)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not Applicable to the Company during the year)**
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
  - (h) The Securities and Exchange Board of India (Buy Back Of Securities) Regulations, 2018; **(Not Applicable to the Company during the year)**
- (vi) Other Applicable Acts,
  - (a) Factories Act, 1948 and Rules made there under
  - (b) Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and Rules made there under,
  - (c) Employees' State Insurance Act, 1948, and rules made thereunder,
  - (d) Payment of Wages Act, 1936, and rules made there under,



- (e) Air (Prevention & Control of Pollution) Act, 1981
- (f) Water (Prevention & Control of Pollution) Act, 1974
- (g) Minimum Wages Act, 1948
- (h) Payment of Bonus Act, 1965
- (i) Industrial Employment (Standing Orders) Act, 1946

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in

compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation of the meeting.

All decisions of the board and committee meetings were taken with the requisite majority and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Further, I report that there were no instances of:

- I. Public/Right/Preferential issue of shares / Debentures/ sweatequity etc.
- II. Redemption / buy back of securities.
- III. Major decisions taken by the members in pursuance to section 180 of the Companies Act, 2013.
- IV. Merger/amalgamation/reconstruction, etc.
- V. Foreign technical collaborations.

For R.K.Bhalla & Associates  
*Company Secretaries*

**Rajinder Kumar Bhalla**  
*(Proprietor)*

ACS No: 10525

CP No: 7360

UDIN: A010525B000307459

Place: Yamuna Nagar

Date: 1st June 2020

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

## ANNEXURE A

To,  
The Members,  
**Ruchira Papers Limited**  
Tirlokpur Road, Kala Amb  
Himachal Pradesh-173030

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **R.K.Bhalla & Associates**  
*Company Secretaries*

**Rajinder Kumar Bhalla**  
*(Proprietor)*

ACS No: 10525

CP No: 7360

UDIN: A010525B000307459

Place: Yamuna Nagar

Date: 1st June 2020

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.



## Nomination and Remuneration Policy

of Ruchira Papers Limited

### Introduction

In terms of the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 (earlier old listing agreement) the Company has formulated "Nomination and Remuneration Policy." This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company. This policy shall supersede the earlier "Nomination and Remuneration Policy" as approved by the Board of Directors on 28th May 2014.

### I. Definitions

1. "Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
2. "Board" means Board of Directors of the Company.
3. "Company" means Ruchira Papers Limited.
4. "Directors" mean Directors of the Company.
5. "Committee" means Nomination and Remuneration committee of the Company as constituted or re-constituted by the Board, from time to time.
6. "Key Managerial Personnel" means
  - i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole Time Director;
  - ii. Chief Financial Officer;
  - iii. Company Secretary; and
  - iv. Such other officer as may be prescribed.
7. "Senior Management" means the personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
8. "Independent Director" is as provided under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

### II. Objectives

The Key Objectives are:

1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
3. Formulation of criteria for evaluation of Independent Director and the Board.
4. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
5. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
6. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
7. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
8. To develop a succession plan for the Board and to regularly review the plan.
9. To assist the Board in fulfilling responsibilities.
10. To implement and monitor policies and processes regarding principles of corporate governance.

### III. Constitution of Nomination and Remuneration Committee

The Board of Directors of the Company constituted the committee known as the "Nomination and Remuneration Committee" consisting of three non-executive directors out of which not less than one-half are independent directors. The Chairman of the Committee is an Independent Director.



## IV. Policy for appointment and removal of Director, KMP and senior Management

### 1. Appointment Criteria and Qualification

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board of his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.
- d) A whole-time KMP of the Company shall not hold office in more than one Company except in its Subsidiary Company at the same time. However they can be appointed as Director in any Company with the permission of the Board of Directors of the Company.

### 2. Term/Tenure

- a) **Managing Director/ Whole Time Director**  
The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
- b) **Independent Director**  
An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of up to maximum

of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

Every Independent Director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change, give a declaration that he meets the criteria of independence.

### c) Evaluation

The Committee shall carry out evaluation of performance of every Director including Independent Director, KMP and Senior Management Personnel at regular interval (yearly). Based on the evaluation performance report of the board, it shall be determined whether to extend or continue the term of appointment of the independent Directors

### d) Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

### e) Retirement

The Directors, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.



## V. Policy for Remuneration to Directors/ KMP/ Senior Management Personnel

### 1. Remuneration to Managing Director/ Whole Time/ Executive / KMP and Senior Management Personnel

The Remuneration/ Compensation/ Commission etc. to be paid to Director/ Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

### 2. Remuneration to Non –Executive/ Independent Director

The Non-Executive Independent Director may receive remuneration/ compensation/ commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under

Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

## VI. Policy Review

This policy is framed based on the provisions of the Companies Act, 2013 read with rules made there under and the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Earlier Clause 49 of the Listing Agreement).

This policy shall be reviewed by Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes in the policy shall be approved by the Board of Directors.

## Annexure-IV to Directors' Report

## Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

### A) CONSERVATION OF ENERGY

i) Energy conservation is continued to be an important thrust area for the Company and is continuously monitored. The steps taken or impact of conservation of energy were:

- At Paper Machine No. 02, High Pressure Pump was replaced with small rating one according to load of Wire and Press Section resulting reduction in energy and water consumption.
- AGT start/stop selection switch and interlock provided at Broke Chest No. 01 which ultimately resulted reduction in power consumption.
- Interlock provided at Rewinder Air Blower Trim Blower Motor resulting reduction in power consumption.

- Machine Chest Pump delivery pressure reduced from 0.90 bar to 0.70 bar to reduce the power consumption.
- Replacement of old and higher energy consuming lights with efficient LED lights.

ii) The steps taken by the Company for utilizing alternate source of energy:

The Company is generating steam from Chemical Recovery Boiler, wherein Black Liquor Solids are fired to generate the steam and the same is confirmed as Renewable Biomass Source by Ministry of New & Renewable Energy, Govt. of India.

Total Energy Consumption per unit of production of paper for the year 2019-20 is given in table below.

Power and Fuel Consumption:

Particulars	2019-20	2018-19
1. Electricity		
a) Purchased		
Units (KVAH)	43343470	41728620
Total Amount (₹)	253238489	245282404
Rate per Unit (₹)	5.85	5.88
b) Own Generation		
i) Through Diesel generator		
Total Units generated	Nil	Nil
Units per litre of diesel	Nil	Nil
Cost per unit generated (₹)	Nil	Nil
ii) Through Steam Turbine		
Units	49909590	51309720
Units per Ltr. Of fuel oil/ gas	Nil	Nil
Cost / units	Nil	Nil
2. Coal (specify quality and where used)		
Quantity (ton)- Used in Boiler	48469.200	49564.299
Total Cost (₹ In Lakh)	4132.54	4611.18
Average Rate (PMT)	8526.10	9303.43
3. Used in Boiler		
Furnace Oil:		
Quantity (K.ltrs)	110.861	210.155
Total amount(₹ Lakh)	43.41	79.55
Average Rate (₹/K.ltrs)	39153	37851
4. Others: Used in Boiler		
a) Rice Husk (M.T.)	33520.535	38760.384
Cost (in Lakh)	1477.87	1817.24



Particulars	2019-20	2018-19
b) Boiler Fuel-Misc(M.T)	22822.927	25991.127
Cost (in Lakh)	597.14	633.72
c) Lime Stone (M.T)	402.813	594.004
Cost (In Lakh)	6.28	9.38
<b>Total Fuel Cost (in Lakh) (2+3+4)</b>	<b>6257.24</b>	<b>7151.07</b>

Consumption per Unit of Production:

Particulars	2019-20	2018-19
a. Liner Kraft Paper		
Production(M.T.)	82453	77287
Electricity (in Units) per Ton of production	420	434
Furnace oil	Nil	Nil
Coal/Tonne (MT)	0.095	0.099
Others (Rice Husk)/Tonne (MT)	0.183	0.236
b. Writing& Printing Paper		
Production(M.T.)	51595	51544
Electricity (in Units) per Ton of production	1135	1155
Furnace oil/Tonne(KL)	0.002	0.004
Coal/Tonne (MT)	0.787	0.812
Others (Rice Husk)/Tonne(MT)	0.357	0.397

## B) TECHNOLOGY ABSORPTION

Research and Development (R&D)

1. Specific areas in which R&D carried out by the Company.	Nil
2. Benefits derived as a result of the above R&D.	Nil
3. Future plan of action.	Nil
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
Technology absorption ,adaptation and innovation	
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

## C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.

Total Foreign Exchange used and earned:

(₹ In Lakh)

Particulars	2019-20	2018-19
Foreign Exchange earned	114.91	710.64
Foreign Exchange Used	3832.52	2802.55

## Annexure-V to Directors' Report

**Form AOC-2**

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

FORM FOR DISCLOSURE OF PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013 INCLUDING CERTAIN ARMS LENGTH TRANSACTIONS UNDER THIRD PROVISIO THERETO.

Sl. No.	Particulars						
1	Details of Contracts or arrangements or transactions not at arm's length basis.	NA					
	Name (s) of the related party and nature of ownership						
	Nature of Contracts/ arrangements/ transaction						
	Duration of the Contracts/ arrangements/ transactions						
	Salient terms of the Contracts or arrangements or transactions including the value if any						
	Justification for entering into such contracts or arrangements or transactions						
	Date(s) of approval by the Board						
	Amount paid as advances, if any						
	Date on which the special resolution was passed in the general meeting as required under first proviso to section 188.						
2	Details of material contracts or arrangement or transactions at arm's length basis						
	Name (s) of the related party	M/S Jasmer Pack Limited	M/S Jasmer Packers	M/S Ruchira Printing & Packaging	M/S Ruchira Packaging Products P Ltd	M/S Well Pack Industries	M/S York Cellulose Private Limited
	Nature of Relationship	Enterprises of Relatives of KMP	Enterprises of Relatives of KMP	Enterprises of Relatives of KMP	Enterprises of Relatives of KMP	Enterprises of Relatives of KMP	Enterprises of Relatives of KMP



Sl. No.	Particulars						
2	Nature of Contracts/ arrangements/ transaction	Sale of Finished Goods and Purchase of Raw Material	Sale of Finished Goods and Purchase of Raw Material	Sale of Finished Goods and Purchase of Raw Material & Packing Material	Sale of Finished Goods and Purchase of Raw Material & Packing Material	Sale of Finished Goods and Purchase of Raw Material & Packing Material	Sale of Finished Goods and Purchase of Raw Material
	Duration of the Contracts/ arrangements/ transactions	On Going subject to renewal as per contractual terms.	On Going subject to renewal as per contractual terms.	On Going subject to renewal as per contractual terms.	On Going subject to renewal as per contractual terms.	On Going subject to renewal as per contractual terms.	On Going subject to renewal as per contractual terms.
	Silent terms of the Contracts or arrangements or transactions including the value if any	Sale of Finished Goods up to ₹75.00 Crore per Annum. Purchase of Raw Material up to ₹7.50 Crore Per Annum	Sale of Finished Goods up to ₹20.00 Crore per Annum. Purchase of Raw Material up to ₹7.50 Crore Per Annum	Sale of Finished Goods up to ₹7.50 Crore per Annum. Purchase of Raw Material & Packing Material up to ₹5.00 Crore Per Annum	Sale of Finished Goods up to ₹30.00 Crore per Annum. Purchase of Raw Material & Packing Material up to ₹5.00 Crore Per Annum	Sale of Finished Goods up to ₹15.00 Crore per Annum. Purchase of Raw Material & Packing Material up to ₹5.00 Crore Per Annum	Sale of Finished Goods up to ₹1.00 Crore per Annum. Purchase of Raw Material up to ₹1.00 Crore Per Annum
	Date(s) of approval by the Board	12.02.2018	12.02.2018	12.02.2018	12.02.2018	12.02.2018	12.02.2018
	amount paid as Advances, if any	N.A	N.A	N.A	N.A	N.A	N.A
	Date of Shareholders Resolution Passed if any.	22.03.2018	22.03.2018	22.03.2018	22.03.2018	22.03.2018	22.03.2018
3	Details of material contracts or arrangement or transactions at arm's length basis						
	Name (s) of the related party	Jasmer Foods Private Limited	Mrs. Parveen Garg	Mr. Deepan Garg	Mr. Daljeet Singh Mandhan	Mr. Jagdeep Singh	Mr. Lucky Garg
	Nature of Relationship	Enterprises in Which KMP holding Directorship	Relative holding office or place of profit	Relative holding office or place of profit	Relative holding office or place of profit	Relative holding office or place of profit	Relative holding office or place of profit
	Nature of Contracts / arrangements / transaction	Sale of finished goods and Purchase of Raw material / Fuel	Sr. Vice President- CSR	Vice President- Technical	Vice President- Commercial	Vice President- Operations	Vice President- Marketing
	Duration of the Contracts / arrangements / transactions	On Going subject to renewal as per contractual terms.	Remuneration Paid	Remuneration Paid	Remuneration Paid	Remuneration Paid	Remuneration Paid

Sl. No.	Particulars						
	Salient terms of the Contracts or arrangements or transactions including the value if any	Sale of finished goods up to ₹1.00 Crore per annum and Purchase of Paper/Fuel up to ₹1.00 Crore per annum	Relative holding office or place of profit at a gross monthly remuneration of ₹4.60 Lakh.	Relative holding office or place of profit at a gross monthly remuneration of ₹4.60 Lakh.	Relative holding office or place of profit at a gross monthly remuneration of ₹4.60 Lakh.	Relative holding office or place of profit at a gross monthly remuneration of ₹4.60 Lakh.	Relative holding office or place of profit at a gross monthly remuneration of ₹4.60 Lakh.
	Date(s) of approval by the Board	12.02.2018	22.05.2017	22.05.2017	22.05.2017	22.05.2017	22.05.2017
	amount paid as advances, if any	N.A	N.A	N.A	N.A	N.A	N.A
	Date of Shareholders Resolution Passed if any.	22.03.2018	21.09.2017	21.09.2017	21.09.2017	21.09.2017	21.09.2017
4	Details of material contracts or arrangement or transactions at arm's length basis						
	Name (s) of the related party	Mr. Atul Garg	Mrs. Ruchica G Kumar	Ms. Radhika Garg			
	Nature of Relationship	Relative holding office or place of profit	Relative holding office or place of profit	Relative holding office or place of profit			
	Nature of Contracts / arrangements / transaction	Vice President-Administration	Vice President-Marketing	Vice President-Marketing-NR			
	Duration of the Contracts / arrangements / transactions	Remuneration Paid	Remuneration Paid	Remuneration Paid			
	Salient terms of the Contracts or arrangements or transactions including the value if any	Relative holding office or place of profit at a gross monthly remuneration of ₹4.60 Lakh.	Relative holding office or place of profit at a gross monthly remuneration of ₹4.60 Lakh.	Relative holding office or place of profit at a gross monthly remuneration of ₹4.60 Lakh.			
	Date(s) of approval by the Board	22.05.2017	22.05.2017	22.05.2017			
	Amount paid as advances, if any	N.A	N.A	N.A			
	Date of Shareholders Resolution Passed if any.	21.09.2017	21.09.2017	21.09.2017			



### Annexure-VI to Directors' Report

Information required under Section 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

i	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year	<b>Sl. No.</b>	<b>Name of Director(s)</b>	<b>Ratio of Remuneration of Each Director to the Median Remuneration</b>	
		01.	Subhash Chander Garg	126.01	
		02.	Jatinder Singh	126.01	
		03.	Umesh Chander Garg	126.01	
		04.	Vipin Gupta	30.31	
		05.	Dalbir Singh	0.55	
		06.	Surinder Gupta	0.55	
		07.	Swantantar Kumar Dewan	0.55	
		08.	Avtar Singh	0.55	
		09.	Smt. Suhasini Yadav	0.55	
ii	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year.	<b>Sl. No.</b>	<b>Name of KMP</b>		<b>Increase (in %)</b>
		01.	Subhash Chander Garg	Whole Time Director	Nil
		02.	Jatinder Singh	Whole Time Director	Nil
		03.	Umesh Chander Garg	Managing Director	Nil
		04.	Vipin Gupta	CFO & Executive Director	14.22
		05.	Dalbir Singh	Independent Director	Nil
		06.	Surinder Kumar Gupta	Independent Director	Nil
		07.	Swantantar Kumar Dewan	Independent Director	Nil
		08.	Avtar Singh	Independent Director	Nil
		09.	Smt. Suhasini Yadav	Independent Director	Nil
		10.	Vishav Sethi	Company Secretary	16.13
iii	Percentage increase in the median remuneration of employees in the financial year.	4.74%			
iv	Number of permanent employees on the rolls of the Company as on 31st March 2020.	1048 Employees			
v	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	<p>Average increase in remuneration of Managerial Personnel- 0.93% Average Increase in remuneration of employees other than the Managerial Personnel: 9.60%</p> <p>The increment given is based on the potential, experience as also their performance and contribution to the Company's progress over a period of time and also benchmarked against a comparable basket of relevant companies in India.</p>			



vi	Key Parameters for any variable component of remuneration availed by the directors	The key parameters for the variable components of remuneration to the Directors are decided by the Nomination and Remuneration Committee in accordance with the principles laid down in the Nomination and Remuneration Policy.
vii	Affirmation that the remuneration is as per the remuneration policy of the Company.	The remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees of the Company, formulated pursuant to the provisions of section 178 of the Companies Act, 2013.

Notes:

1. The Remuneration of Independent Directors is sitting fees paid to them for the financial year 2019-20.
2. Median remuneration of the Company for all its employees is ₹182850.00 for the F.Y 2019-20.
3. The median remuneration of those employees has been taken who has worked for the whole F.Y 2019-20

Statement containing the particulars of employees in accordance with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

1. List of Top Ten Employees of the Company in terms of remuneration drawn during the F.Y 2019-20 other than Directors.

Sl. No.	Name	Designation & Nature of Employment	Date of Commencement of Employment	Education	Age. (Yrs)	Expe-rience (Yrs)	%age of Equity Shares	Remuneration Paid (₹) p.a.	Previous Employ-ment & Designa-tion	Whether Relative of Director or not.
1	Mrs. Parveen Garg	Sr. Vice President - CSR	01/04/2013	Graduation,	73	27	2.99	55,20,000	Nil	Related to Mr. Subhash Chander Garg
2	Deepan Garg	VP - Technical	01/10/2008	B.Tech	45	21	3.08	55,20,000	Nil	Related to Mr. Umesh Chander Garg
3.	Lucky Garg	VP - Marketing	01/10/2008	Master of Business Administration	41	17	2.25	55,20,000	Nil	Related to Mr. Umesh Chander Garg
4.	Atul Garg	VP - Administration	01/09/2012	Master of Business Administration	44	20	2.40	55,20,000	Nil	Related to Mr. Umesh Chander Garg
5.	Jagdeep Singh	VP - Operations	01/10/2008	B.Tech	35	12	1.56	55,20,000	Nil	Related to Mr. Jatinder Singh
6.	Daljeet Singh Mandhan	VP - Commercial	01/10/2008	Post Graduation	33	11	1.65	55,20,000	Nil	Related to Mr. Jatinder Singh
7.	Mrs. Radhika Garg	VP - Marketing (NR)	01/04/2013	Bechelor in Law, Post Graduation	39	14	3.03	55,20,000	Nil	Related to Mr. Subhash Chander Garg
8.	Mrs. Ruchica G Kumar	VP - Marketing	01/07/2016	Post Graduation	49	20	2.86	55,20,000	G. M (Global electronics (P) Limited)	Related to Mr. Subhash Chander Garg
9.	Ajay Mahajan	Head - Project	22/01/2018	B.Tech	48	26	0.00	50,92,200	GM-Project- Bilt-Balharshas (Pune)	Nil
10	Sethu Raman Balu	Sr. General Manager	06/02/2014	NCTVT	60	40	0.00	42,29,700	Head- Operations Dhanlaxmi Paper Mills Private Limited	Nil

1. List of Employees of the Company (other than directors) employed throughout the F.Y 2019-20 and were paid remuneration not less than Rupees One Crore and Two Lakh per annum: Nil
2. Employees employed for the part of the year (other than Directors) and were paid remuneration during the F.Y 2019-20 at a rate which in aggregate was not less than ₹8.50 Lakh Per Month: Nil
3. None of the employee was in receipt of remuneration in excess of that drawn by the Managing Director.



# Report on Corporate Governance

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is essentially a system by which Companies are governed and controlled by the management under the direction and supervision of the Board in the best interest of all stakeholders. It is not mere compliance of laws, rules and regulations, but also the application of best management practices and adherence to the highest ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility. Above all, it is a way of life, rather than merely a legal compulsion.

Your Company's philosophy on the Code of Governance is based on the belief that effective Corporate Governance practices constitute a strong foundation on which successful commercial enterprises are built to last. Good Corporate Governance is indispensable to resilient and vibrant capital markets and is, therefore, an important instrument of investor protection. Your Company lays great emphasis on a corporate culture of conscience, integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business.

The Company has adopted a Code of Conduct for its employees including the Managing Director and Whole Time Directors. The Board of Directors is at the core of our Corporate Governance practice and oversees how the management serves and protects long-term interest of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance. It is well recognized that an effective Board is a pre-requisite for strong and effective corporate governance. Our Board exercises its fiduciary responsibilities in widest sense of the term.

Your Company is in compliance with the requirements of Corporate Governance stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

## 1. BOARD OF DIRECTORS

In terms of 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. Size & Composition of Board of Directors:

The Board has an optimum combination of Executive and Non-Executive Directors. More than 50% of the Directors are Non-Executive Independent Directors. The Company has Three Whole Time Executive Directors and one Managing Director to look after finance, projects, commercial, technical and personnel affairs of the Company. The total number of Directors of the Company is 9(Nine) as on 31st March, 2020 consisting of 4 Executive Directors and 5 Independent Directors. None of the Independent Directors is responsible for the day to day affairs of the Company. The Board periodically evaluates need for change in its composition and size. Profile of the Directors is available on the Company's website <http://www.ruchirapapers.com/investors.html>.

As per the disclosure received from the Directors, the Board hereby confirm that none of the Directors hold office in more than 20 companies and in more than 10 public companies as prescribed under Section 165(1) of the Act. No Director holds Directorships in any other listed companies. Further, none of the Independent Directors ('ID') served as ID in more than 7 listed companies. The Managing Director did not serve as an Independent Director in any listed company.

None of the Directors on the Board is Member of more than ten committees or Chairman of more than five Committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on 31st March 2020 have been made by the Directors.

The Composition of the Board is in conformity with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

**Evaluation of Board Effectiveness:** In terms of applicable provisions of the Companies Act, 2013 read with Rules framed there under and provisions of Listing Regulations and on the recommendation of Nomination and Remuneration Committee, the Board of Directors has put in place a process to formally evaluate the effectiveness of the Board, its Committees along with performance evaluation of each Director carried out on an annual basis. Accordingly, the annual performance of the Board, its committees and each Director was carried out for the Financial Year 2019-20.

Criteria for evaluation of individual Directors include aspects such as professional qualifications, prior experience, especially experience relevant to the Company, knowledge and competency, fulfillment of functions, ability to function as a team, initiative, availability and attendance, commitment, contribution, integrity, independence and guidance/ support to management outside Board/ Committee Meetings. In addition, the Chairman is also evaluated on key aspects of his role, including effectiveness of leadership and ability to steer meetings, impartiality, ability to keep shareholders' interests in mind and effectiveness as Chairman.

Criteria for evaluation of the Committees of the Board include mandate and composition; effectiveness of the Committee; structure of the Committee; regularity and frequency of meetings, agenda, discussion and dissent, recording of minutes and dissemination of information; independence of the Committee from the Board; contribution to decisions of the Board; effectiveness of meetings and quality of relationship of the Committee with the Board and management.

**Familiarization programmes for Board Members:** The Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at <http://www.ruchirapapers.com/investors.html>.

**Meetings of Independent Directors:** One separate meeting of Independent Directors was held during the year on 18th March 2020 without the attendance of Non-Independent Directors. All the Independent Directors were present at the meeting.

**Skills, Expertise and Competencies of the Board:**

Pursuant to provisions in sub-para 2(h) of Part C of Schedule V of the Listing Regulations, given below is the list of core skills, expertise/competencies that the Company's Board has identified as particularly valuable to the effective oversight and functioning of the Company:

- **Leadership Experience & Business Dynamics:** Leadership experience in managing companies, understanding of business dynamics, across various markets, industry experience including its entire value chain and regulatory jurisdictions.
- **Strategy and Planning:** Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments. Experience in Human Resources and Communication.
- **Corporate Governance:** Experience in developing good governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

A chart or matrix setting out the skills/expertise/competence of the Directors is given below:

Area of Expertise	Leadership Experience & Business Dynamics	Strategy and Planning	Corporate Governance	Technical Knowledge
Availability of Expertise with the Board				
Subhash Chander Garg	√	√	√	√
Umesh Chander Garg	√	√	√	√
Jatinder Singh	√	√	√	√
Vipin Gupta	√	√	√	√
Dalbir Singh	√	√	√	√
Surinder Kumar Gupta	√	√	√	√



Area of Expertise	Leadership Experience & Business Dynamics	Strategy and Planning	Corporate Governance	Technical Knowledge
Avtar Singh	√	√	√	√
Swatantar Kumar Dewan	√	√	√	√
Ms. Suhasini Yadav	√	√	√	√

**Confirmation as regards independence of Independent Directors:** In the opinion of the Board of Directors of the Company, the existing Independent Directors fulfill the conditions specified in the SEBI Listing Regulations and are Independent of the Management. Further, the Independent Directors have affirmed their Registration on the Independent Directory database as notified by the Ministry of Corporate Affairs.

**Reasons for resignation of Independent Director before the expiry of term, if any:** Not Applicable

**b. Board Meetings:**

The Board meets at regular intervals to discuss and decide on business strategies/policies and review financial performance of the Company.

The notice of each Board Meeting is given in writing to every Director. The Agenda along with relevant notes and other material information are sent in advance separately to each Director. This ensures timely and informed decisions by the Board. The Minutes of Board Meetings are also circulated well in time to all Directors and confirmed at subsequent Meeting. The Board reviews the performance of the Company vis-à-vis budgets/targets. Every director on the Board/Committee is free to suggest any item for inclusion in the agenda for the consideration of the Board/Committee. The information as required under Regulation 17 and Part A of schedule II of the SEBI (LODR) Regulations, 2015 and Combined Code of Corporate Governance and Conduct are made available to the members of the Board/Committee.

Four Board Meetings were held during the year on the dates specified below and gap of two Board Meetings did not exceed 120 days.

Date of Board Meeting	Board Strength	No. of Directors Present
27th May 2019	09(Nine)	09(Nine)
12th August 2019	09(Nine)	09(Nine)
14th November 2019	09(Nine)	09(Nine)
08th February 2020	09(Nine)	09(Nine)

**c. 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#	Attendance in Board meetings during the F.Y 2019-20		Attendance at Last AGM	No. of Directorship held in Public Ltd Companies (Including this Company)*	Membership Of Committee (Including this Company)**	Relationship Inter-se Directors
		Held	Attended				
Subhash Chander Garg DIN 01593104	Chairman & Whole Time Director Executive & Promoter	4	4	Yes	1	1	Related to Umesh Chander Garg
Jatinder Singh DIN 01594919	Co-Chairman & Whole Time Director Executive & Promoter	4	4	Yes	1	2	-
Umesh Chander Garg DIN 01593400	Managing Director Executive & Promoter	4	4	Yes	1	Nil	Related to Subhash Chander Garg

Name of Directors	Category of Directors#	Attendance in Board meetings during the FY 2019-20		Attendance at Last AGM	No. of Directorship held in Public Ltd Companies (Including this Company)*	Membership Of Committee (Including this Company)**	Relationship Inter-se Directors
		Held	Attended				
Vipin Gupta DIN 05107366	CFO & Executive Director Executive & Professional	4	4	Yes	1	Nil	-
Dalbir Singh DIN 01538540	Non- Executive Independent	4	4	Yes	1	1	-
Surinder Kumar Gupta DIN 01108489	Non- Executive Independent	4	4	Yes	1	1	-
Avtar Singh DIN 01605978	Non- Executive Independent	4	4	Yes	1	1	-
S. K. Dewan DIN 00427404	Non- Executive Independent	4	4	Yes	3	1	-
Mrs. Suhasini Yadav DIN 06925910	Non- Executive Independent	4	4	Yes	1	Nil	-

#as at 31st March 2020.

\* Excludes directorship in Private Companies, Foreign Companies, Dormant Companies, Companies Incorporated under Section 8 of the Companies Act, 2013 and Alternate Directorship.

\*\* For the purpose of considering the limit of Committee Memberships and Chairmanships of a Director, Audit Committee and Stakeholders Relationship Committee of Public Companies have been considered.

## 2. COMMITTEES OF THE BOARD

### A. AUDIT COMMITTEE:

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. Members of the Audit Committee possess financial/accounting expertise/exposure. The Primary objective of Committee is to monitor and provide effective supervision of Management's financial reporting process to ensure accurate and timely disclosures, with highest level of transparency, integrity and quality of financial reporting. All possible measures have been taken by Committee to ensure the independence and objectivity of the independent auditors. The Audit Committee invites such of the executives, as it considers appropriate, representatives of Statutory Auditors and representatives of the Internal Auditors to be present at its meetings. The Company Secretary acts as the secretary to the Audit Committee. The composition of the Audit Committee as on 31st March, 2020 is as follows:

Sr. No.	Names of Members	Designation	Category of Director	Audit Committee Meetings	
				Held	Attended
1	Dalbir Singh	Chairman	Independent, Non-Executive	4	4
2	Surinder Kumar Gupta	Member	Independent, Non-Executive	4	4
3	Avtar Singh	Member	Independent, Non-Executive	4	4
4	Jatinder Singh	Member	Non-Independent, Executive	4	4



Keeping in view the provisions of section 177 of the Companies Act, 2013 and matters specified under Regulation 18 of the Listing Regulations, terms of reference, inter alia, includes the following:

- (a) To recommend the appointment of the statutory auditors, internal auditors and cost auditors and to review their performance.
- (b) To review reports of the internal auditors and decide about the scope of work.
- (c) To review the financial statements and to seek clarifications etc. from the Statutory/ Internal Auditors.
- (d) To review the adequacy of internal control system.
- (e) To review with the management the annual/half-yearly/quarterly financial statement.
- (f) To review the transactions entered with related parties.
- (g) Perform other activities consistent with the Company's Memorandum and Articles, the Companies Act, 2013 and other Governing Laws and referred by the Board of Directors.
- (h) Generally, all items listed in Part C of Schedule II to the Listing Regulations and in Section 177 of the Act and any other function as is mentioned in the terms

of reference of the Audit Committee.

The Audit Committee met four times during the year on 27th May 2019, 12th August 2019, 14th November 2019 and 8th February 2020. The Chairman of the Audit Committee was present at the previous AGM held on 25th September 2019. The Audit Committee has been given the powers prescribed under Regulation 18(2)(c) of the Listing Regulations.

#### **B. NOMINATION & REMUNERATION COMMITTEE:**

The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 & Regulation 19 of the Listing Regulations.

Terms of reference inter alia includes the following:

- (a) To nominate the appointment of director, recommend/ review the remuneration package of Executive Directors and their relatives based on performance and keeping in view applicable provisions of the Companies Act, 2013.
- (b) To formulate the criteria for evaluation of Independent Directors and the Board.
- (c) To devise a policy on Board diversity.
- (d) To perform such other functions as may be necessary or appropriate for the performance of its duties that the Board may decide from time to time.

The Composition of committee is as follows:

Sr. No.	Names of Members	Designation	Category of Director	Audit Committee Meetings	
				Held	Attended
1	Dalbir Singh	Chairman	Independent, Non-Executive	02	02
2	Surinder Kumar Gupta	Member	Independent, Non-Executive	02	02
3	Avtar Singh	Member	Independent, Non-Executive	02	02

The Nomination & Remuneration Committee met on 27th May 2019 and 12th August 2019. The Chairman of the Nomination and Remuneration Committee was present at the previous AGM held on 25th September 2019.

**Remuneration Policy:** The Nomination and Remuneration Committee has adopted a charter which, inter alia, deals with the manner of selection of Board of Directors and their remuneration. The detailed policy in this regard can be accessed at <http://www.ruchirapapers.com/investors.html>.

#### **Non-Executive/Independent Directors' remuneration:**

The Non-Executive Directors were paid sitting fees for each meeting of the Board of Directors attended by them

of such sum as approved by the Board of Directors with in the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. As at 31st March 2020 the Company was paying sitting fees of ₹20,000/- per meeting to Non-Executive Directors. Other than sitting fees, no other remuneration has paid to Non-Executive Directors for the year 2019-20. The Non-Executive Independent Director's do not have any material pecuniary relationship or transaction with the Company.

#### **Executive Directors' Remuneration:**

The appointment and payment of remuneration to Executive Directors including Managing and Whole Time Directors is governed by recommendation of Nomination

& Remuneration Committee. The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. All the components of remuneration of directors are fixed, there is no variable component. i.e performance linked incentives etc.

Presently Company does not have a scheme for grant of stock options or performance linked incentives for its directors.

The details of Remuneration of directors for the financial year ended 31st March, 2020 are as follows:

Name	Category of Directors (As at 31st March 2020)	Salary including allowances (₹)	Sitting fees (₹)	Total (₹)
Subhash Chander Garg	Chairman & Whole Time Director Executive & Promoter	2,30,40,000	-	2,30,40,000
Jatinder Singh	Co-Chairman & Whole Time Director Executive & Promoter	2,30,40,000	-	2,30,40,000
Umesh Chander Garg	Managing Director Executive & Promoter	2,30,40,000	-	2,30,40,000
Vipin Gupta	CFO & Executive Director Executive & Professional	55,43,000	-	55,43,000
Dalbir Singh	Non-Executive Independent	-	1,00,000	1,00,000
Surinder Kumar Gupta	Non-Executive Independent	-	1,00,000	1,00,000
Avtar Singh	Non-Executive Independent	-	1,00,000	1,00,000
S.K. Dewan	Non-Executive Independent	-	1,00,000	1,00,000
Mrs. Suhasini Yadav	Non-Executive Independent	-	1,00,000	1,00,000

#### Review of Performance and Compensation to Senior Management:

The Nomination and Remuneration Committee reviews the performance of the senior management of the Company. The Committee ensures that the remuneration to the Key Managerial Personnel and Senior Management involves balanced fixed pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

#### Service Contracts, Notice Period and Severance Fees:

The employment of Managing Director/Whole Time Directors shall terminate automatically in the event of his ceasing to be a Director of the Company in the General Meeting and/or in the event of his resignation as a Director of the Company and subsequent resignation by the Board and no severance fees is payable to the Managing Director. Notice period shall be as per the appointment letter/contract entered at the time of joining.

#### C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Committee oversees redressal of shareholders 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 Secretarial Department of the Company and Registrar & Share Transfer Agent i.e Link Intime India Private Limited attends all grievances of the shareholders directly or through SEBI (SCORE), Stock Exchange etc. Further continuous efforts are made to ensure that grievances are expeditiously redressed to the complete satisfaction of the investors.

The Committee's constitution and terms of reference are in compliance with provisions of Section 178 of the Companies Act, 2013 & Regulation 20 of the Listing Regulations.

The Composition of committee is as follows:

Sr. No.	Names of Members	Designation	Category	Meetings	
				Held	Attended
1	S.K. Dewan	Chairman	Independent, Non-Executive	04	04
2	Jatinder Singh	Member	Non-Independent, Executive	04	04
3	Subhash Chander Garg	Member	Non-Independent, Executive	04	04



The Company Secretary acts as the Secretary and Compliance Officer of the Committee.

The Committee met four times during the year on 27th May 2019, 12th August 2019, 14th November 2019 and 8th February 2020.

Number of Complaints received and resolved during the year: 14(Fourteen).

There was no complaint pending at beginning and at close of the year.

#### D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring and implementation of "Corporate Social Responsibility Policy". The other responsibilities include the recommendation of amount of expenditure to be incurred on CSR activities, monitoring the implementation of framework of the CSR policy and other like matters.

Terms of Reference of the Committee, inter alia, includes the following:

- To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with the provisions of the Companies, Act, 2013 and rules made there under.
- To recommend the amount of expenditure to be incurred on the CSR activities.
- To monitor the implementation of the CSR policy of the Company from time to time.
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

The Composition of committee is as follows:

Sr. No.	Names of Members	Designation	Category	Meetings	
				Held	Attended
1	Surinder Kumar Gupta	Chairman	Independent, Non-Executive	04	04
2	Jatinder Singh	Member	Non-Independent, Executive	04	04
3	Subhash Chander Garg	Member	Non-Independent, Executive	04	04
4.	Umesh Chander Garg	Member	Non-Independent, Executive	04	04
5.	Vipin Gupta	Member	Non-Independent, Executive	04	04

The Committee met four times during the year on 27th May 2019, 12th August 2019, 14th November 2019 and 8th February 2020. The details of the CSR initiatives of the Company forms part of the CSR section in the Annual Report.

#### E. ALLOTMENT COMMITTEE

The Allotment Committee has been constituted to specifically look into the allotment of Securities as and when required within the limits approved by the Shareholders etc. The Composition of the Allotment Committee is as follows:

Sr. No.	Names of Members	Designation	Category	Meetings	
				Held	Attended
1	Avtar Singh	Chairman	Independent Non-Executive	Nil	Nil
2	Jatinder Singh	Member	Non-Independent Executive	Nil	Nil
3	Vipin Gupta	Member	Non-Independent Executive	Nil	Nil
4	Mrs. Suhasini Yadav	Member	Independent Non-Executive	Nil	Nil

The Company Secretary acts as the Secretary of the Committee..

#### F. PROJECT COMMITTEE

The Project Committee has been constituted specifically to look in to the project related activities for the proposed Green Field Project at Chamkaur Sahib, Punjab.



The Composition of committee is as follows:

Sr. No.	Names of Members	Designation	Category	Meetings	
				Held	Attended
1	Umesh Chander Garg	Chairman	Non-Independent, Executive	Nil	Nil
2	Jatinder Singh	Member	Non-Independent. Executive	Nil	Nil
3	Deepan Garg	Member	Vice President-Technical	Nil	Nil
4	Jagdeep Singh	Member	Vice President-Operations	Nil	Nil

### 3. GENERAL BODY MEETINGS:

Details of last three Annual General Meetings of the Company are given hereunder:

Year	Date	Time	Venue	No. of Special Resolution(s) set out at the AGM
2017	21.09.2017	11.15 A.M	Hotel Black Mango, Nahan Road, Kala-Amb, Distt. Sirmour.(H.P.)-173030	04
2018	28.09.2018	11.15 A.M	Hotel Black Mango, Nahan Road, Kala-Amb, Distt. Sirmour.(H.P.)-173030	02
2019	25.09.2019	11.15 AM	Hotel Black Mango, Nahan Road, Kala-Amb, Distt. Sirmour.(H.P.)-173030	06

No Extraordinary General Meeting of the Members was held during the year 2019-20.

No Special Resolution was passed by way of postal ballot during the year 2019-20 and no Special Resolution is proposed to be passed through Postal Ballot at the ensuing Annual general Meeting.

### 4. MEANS OF COMMUNICATION:

- i) The quarterly and the half yearly results, published in the format prescribed by the Listing Regulations read with the Circular issued there under, are approved and taken on record by the Board of Directors of the Company within 45 days of the close of the relevant quarter. The approved results are forthwith uploaded on the designated portals of the Stock Exchanges where the Company's shares are listed, viz. NSE Electronic Application Processing System (NEAPS) of the National Stock Exchange of India Ltd. (NSE) and BSE Online Portal of BSE Ltd. (BSE). The results are also published within 48 hours in Economic Times/ Financial Express (English) and Jansatta (Hindi) and also displayed on the Company's website, www.ruchirapapers.com.
- ii) The Company publishes the audited annual results within the stipulated period of sixty days from the close of the financial year as required by the Listing Regulations. The annual audited results are also uploaded on NEAPS and Listing Centre, Online Portal of NSE and BSE respectively, published in the newspapers and displayed on the Company's website.
- iii) Official news releases and presentations made to institutional investors and analysts are uploaded on NEAPS and Listing Centre, Online Portal of NSE and BSE respectively and posted on the Company's website.
- iv) The "Investor" and "Financial" section of the website of the Company gives information relating to financial results, annual reports, shareholding pattern and presentations made to analysts and at Annual General Meetings.
- v) The quarterly Shareholding Pattern and Corporate Governance Report of the Company are filed with NSE through NEAPS and with BSE through BSE Online Portal. The Shareholding Pattern is also displayed on the Company's website under the "Investor" section.
- vi) Material events or information, as detailed in Regulation 30 of the Listing Regulations, are disclosed to the Stock Exchanges by filing them with NSE through NEAPS and with BSE through BSE Online Portal.
- vii) The Company sends reminder to shareholders who have not claimed their dividends. Circulars are also sent periodically to shareholders urging them to opt for the electronic mode for receiving dividends.



## 5. GENERAL SHAREHOLDERS INFORMATION

### A. General Shareholder Information:

Annual General Meeting (Date ,time and venue)	25th September 2020, 12.00 PM through Video Conferencing (VC)/Other Audio Visual means (OAVM)			
Financial Year	01st April to 31st March.			
Dividend Payment Date	Not Applicable			
Book Closure date	19th September 2020 to 25th September 2020 (Both days Inclusive)			
Details of the Dividend Declared and Paid by the Company for the Last Five Years.	Year(s)	Percentage (%)	In ₹ Per Share (FV-₹10)	Dividend Amount (₹ In Crores)
	2014-15	13%	1.30	2.91
	2015-16	15%	1.50	3.36
	2016-17	22.5%	2.25	5.04
	2017-18	22.5%	2.25	5.04
	2018-19	22.5%	2.25	5.46
Listing on Stock Exchanges	The Company's Equity Shares are currently listed with the BSE Limited and the National Stock Exchange of India Limited under Stock Codes "532785" and "RUCHIRA" respectively. The Company has paid the requisite fees to stock exchanges for the financial year 2019-20.			
ISIN Number for NSDL and CDSL	Equity: INE803H01014			
Corporate Identification Number	L21012HP1980PLC004336			
Registrar & Share Transfer Agents	<p>Link Intime India Pvt Limited.</p> <p>Mumbai Office:C-13,Pannalal Silk Mills compound, LBS Road, Bhandup (W) Mumbai-440078. Tel:022-25963838,Email:mumbai@linktime.co.in</p> <p>Delhi Office: Noble Height 1st Floor, Plot No. NH-2, C-1 Block, LSC Near Savitri Market, Janakpuri, New Delhi-110058.</p> <p>Email: delhi@linkintime.co.in</p>			
Share Transfer System	99.99%of the equity sharesof the Company are in electronic form.Transfer of these shares are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents can be lodged with 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 14 days from the receipt, if the documentsare clear in all respects.			

National Electronic Clearing System (NECS) for dividend.	<p>The remittance of dividend through Electronic Clearing System has been moved to National Electronic Clearing System (NECS) platform through core banking system effective. Accordingly, dividend will be credited to the shareholders' bank account through</p> <p>NECS where complete core banking details are available with the Company. In the event any branch of a bank has not migrated to core banking system, or where core banking account is not furnished by the shareholder to the Depository/ Company as the case may be, your Company will print details available in its records on the dividend warrants to be issued to the shareholders.</p> <p>(a) For shares held in physical form:</p> <p>Investors who would like to avail NECS facility and are holding shares in physical form may send in their NECS Mandate Form, duly filled in to the M/s. Link Intime India Private Limited. The NECS Mandate instruction should be under the signature of the shareholder(s) as per the specimen signature lodged with your Company.</p> <p>(b) For shares in electronic/dematerialized form:</p> <p>Investors holding shares in dematerialized or electronic form may check the details on record with the concerned Depository Participant (DP). Pursuant to the Depository Regulations, your Company is obliged to pay dividend on dematerialized shares as per the details furnished by the concerned DP. The Company or the Registrar &amp; Transfer Agent can not make any change in such records received from the Depository.</p>
Address for Correspondence	<p>Ruchira Papers Limited, Tirlokpur Road, Kala Amb, Distt. Sirmour (Himachal Pradesh) - 173030.</p> <p>Tel.No: 08053800897</p> <p>Email: info@ruchirapapers.com, cs@ruchirapapers.com, investor@ruchirapapers.com</p>
Plant Location	Tirlokpur Road, Kala Amb, Distt. Sirmour (Himachal Pradesh) -173030
Compliance Officer	<p>Mr. Vishav Sethi</p> <p>Company Secretary and Compliance Officer</p> <p>cs@ruchirapapers.com</p>

#### B. Market Price Data: Monthly High/low during each month of 2019-20 on both Stock exchanges, Mumbai.

Months	Share prices of the Company for the period 2019-20			
	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2019	112.50	93.50	112.00	92.65
May 2019	111.30	89.00	114.00	87.00
June 2019	102.20	90.00	102.00	90.50
July 2019	101.00	70.10	98.75	70.00
August 2019	76.00	64.95	77.00	65.25
September 2019	110.80	70.00	111.00	70.15
October 2019	107.90	79.00	107.95	79.30
November 2019	84.40	73.55	85.40	73.00
December 2019	84.05	73.50	84.00	73.90
January 2020	90.00	77.40	91.00	77.25
February 2020	82.45	52.20	82.15	52.55
March 2020	55.60	26.90	54.55	26.75



### C. Share Price Performance in comparison to broad based indices- BSE Sensex and NSE Nifty as on 31st March, 2020.

	BSE (% Change)		NSE (% Change)	
	Ruchira	Sensex	Ruchira	Nifty
F.Y 2019-20	(67.77%)	(23.80%)	(67.16%)	(25.69%)

### D. Distribution of equity shareholding as on 31st March, 2020.

Shareholding of Shares	Shareholders		Shares	
	Number	% of Total Shareholders	No. of Shares	% of Total Shares
Up to 500	15758	85.01	2068789	8.53
501 - 1000	1406	7.58	1113807	4.59
1001 - 2000	733	3.96	1101027	4.54
2001 - 3000	225	1.21	573573	2.37
3001 - 4000	99	0.53	355083	1.46
4001 - 5000	82	0.45	380820	1.57
5001 - 10000	119	0.64	868241	3.58
10001 & Above	115	0.62	17790464	73.36
<b>TOTAL</b>	<b>18537</b>	<b>100</b>	<b>24251804</b>	<b>100</b>

### E. Categories of equity shareholders as on 31st March, 2020

Categories	Number of Shares	%
Promoter and Promoter Group	15538278	64.07
Director and Director's Relative	22742	0.09
Independent Directors	500	0.00
Financial Institutions/Banks	29783	0.12
Foreign Portfolio Investors	138686	0.57
Bodies Corporate	491333	2.03
Non Resident Indians	436074	1.80
Clearing Members	40751	0.17
Indian Public	7206142	29.72
HUF	317447	1.31
NBFC	30068	0.12
<b>TOTAL</b>	<b>24251804</b>	<b>100.00</b>

### F. Top Ten Equity Shareholders of the Company as on 31st March 2020:

Sl. No.	Name of the Shareholder	Number of Equity Shares held	Percentage of holding
01.	Jatinder Singh	2444090	10.08
02.	Umesh Chander Garg	1470455	6.06
03.	Charanjeet Kaur	1273534	5.25
04.	Subhash Chander Garg	936170	3.86
05.	Umesh Chander Garg (HUF)	919669	3.79
06.	Shashi Garg	870109	3.59
07.	Deepan Garg	745959	3.08
08.	Radhika Garg	734841	3.03
09.	Parveen Garg	724505	2.99
10.	Subhash Chander Garg (HUF)	698625	2.88

**G. Shares held by Independent Directors as on 31st March, 2020.**

Sl. No.	Name	No. of Shares
1.	Dalbir Singh	100
2.	Surinder Kumar Gupta	100
3.	Avtar Singh	100
4.	S.K. Dewan	100
5.	Mrs. Suhasini Yadav	100

**H. Dematerialization of Shares:**

The shares of the Company can be held in dematerialized form with NSDL and CDSL. As on 31st March, 2020, a total of 24251642 Equity shares of the Company which form 99.99% 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. The Company's equity shares are regularly traded on NSE and BSE, in dematerialized form.

**I. Outstanding GDRs/ADRs/Warrants/Convertible Instruments and their impact on Equity:**

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on 31st March 2020.

**J. Commodity price risk or foreign exchange risk and hedging activities:**

The Company does not have any exposure to commodity price risk. The Company manages commodity and foreign exchange risk as per its policies.

**K. Credit Rating:**

During the year, Credit Rating of the Company has been kept at CARE BBB+ Stable.

**6. DISCLOSURES:**

**A.** All Related Party Transactions that were entered into during the year were on an arm's length basis and were in compliance with applicable provisions of the Act and the Listing Regulations. The Board of Directors at their meeting held on 12.02.2018, pursuant to recommendation of Audit Committee, accorded its approval for maximum aggregate value of material related party transactions by entering into fresh agreement with related parties. The same was further approved by Shareholders' of the Company through Postal Ballot on dated 22.03.2018. The approval was granted with the condition that transaction(s) shall be done at arm's length basis.

A statement of all Related Party Transactions is placed before the Audit Committee for its review on quarterly basis, specifying the nature, value and terms and conditions of the transactions. The particulars of every contract and arrangement entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are disclosed in Form No. AOC-2 in

Annexure V of Directors' Report and were at arm's length price.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the Link: <http://www.ruchirapapers.com/investors.html>.

**B. Whistle blower policy/vigil mechanism:**

The Company has a Vigil Mechanism and Whistle Blower Policy under which the employees are free to report violations of applicable laws and regulations and the code of conduct. The reportable matters may be disclosed to the Vigilance officer which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

**C. Management Discussion and Analysis:**

A detailed report on the Management's discussion and analysis is provided in the Management's Discussion and Analysis section of the Annual Report.

**D. Disclosure regarding appointment or re-appointment of directors:**

Mr. Jatinder Singh, Director retiring by rotation and being eligible, offered himself for re-appointment at the ensuing Annual General Meeting. Further the Board has approved the re-appointment of Mr. Subhash Chander Garg as Whole Time Director, Mr. Jatinder Singh, Whole Time Director and Mr. Umesh Chander Garg as Managing Director for the period of 5 years w.e.f 01st September 2020, subject to approval of shareholders in the ensuing AGM through Special Resolution.

**E. Other Disclosures:**

There was no non-compliance during last three years by the Company on any matter relating to the Capital Market and any requirement of Corporate Governance Report. There were no penalties, strictures passed by stock exchanges/ SEBI or any statutory authority.

There is no pecuniary or business relationship between the Independent Directors and the Company, except for the sitting fees payable to them for attending the Board Meeting(s). A declaration to this effect is also submitted



by all the Independent Directors at the beginning of each financial year.

The Managing Director and the Chief Financial Officer have certified to the Board in accordance with Regulation 17(8) read with Part B of Schedule II to the Listing Regulations pertaining to CEO/ CFO certification for the Financial Year ended 31st March, 2020.

The Company does not have any non-listed Subsidiary Companies in terms of Regulation 16 of the Listing Regulations. Compliance status with mandatory and non mandatory requirements pursuant to the provisions of Listing Regulations:

**Mandatory Requirements:** The Company has complied with all the mandatory requirements pursuant to the provisions of Listing Regulations.

**Non-Mandatory Requirements adopted by the Company:**

- Mr. Subhash Chander Garg an Executive Director, was Chairman of the Company as at 31st March 2020 and more than 50% of the Board comprises of Non-Executive and Independent directors.
- Presently, half yearly financial performance is not being sent to any shareholder.
- The Company is having separate posts of Chairperson and Managing Director
- The Internal Auditor directly reports to the Audit Committee.
- The financial statements of the Company are with unmodified audit opinion.

**F. Details of utilization of funds raised through preferential allotment or qualified institutional placement:**

During the year under review, the Company has not raised any fund through preferential allotment or qualified institutional placement.

**G.** Mr. Rajinder Kumar Bhalla of M/S R.K. Bhalla & Associates, Practicing Company Secretary has issued a certificate confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.

**H. Confirmation by the Board of Directors acceptance of recommendation of mandatory committees:**

In terms of the amended SEBI Listing Regulations, the Board of Directors of the Company confirms that during the year under review, it has accepted all recommendations received from its mandatory committees.

**I. Details of total fees paid to the Statutory of the Company:**

The details of the total fees paid to Statutory Auditors of the Company during the Financial Year ended 31st March 2020 is ₹2,68,970/- (Including ₹29,970/- paid as reimbursement of expenses)

**J. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:**

Number of complaints filed during the Financial Year 2019-20	Nil
Number of complaints disposed of during the Financial Year 2019-20	Nil
Number of complaints pending as on end of the Financial Year 2019-20	Nil

**K. Details of non-compliance with requirements of corporate governance:**

The Company has complied with all the requirements of the corporate governance report as specified in Sub-Para (2) to (10) of Part C of Schedule V of the Listing Regulations.

**L. Details of compliance with corporate governance requirements:**

The Company has complied with the applicable corporate governance requirements as stipulated in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations.

**M. Reconciliation of Share Capital:**

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital 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.

**N. Dividend Policy:**

Dividends, other than interim dividend(s), are to be declared at the Annual General Meetings of shareholders based on the recommendation of the Board of Directors. Generally, the factors that may be considered by the Board of Directors before making any recommendations for dividend includes, without limitation, the Company's future expansion plans and capital requirements, profits earned during the fiscal year, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions. The Board of Directors may also pay interim dividend(s) to shareholders.

**O. Company's Policy on Prohibition of Insider Trading:**

The Company has also formulated a Policy for prohibition of Insider Trading to deter the insider trading in the securities of the Company based on the unpublished price sensitive information. The policy envisages procedures to be followed and disclosures to be made while dealing in the securities of the Company. The full text of the policy is available on the website of the Company <http://www.ruchirapapers.com/investors.html>.

**P. Equity shares in the suspense account:**

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1st, 2019	02	615
Shareholders who approached the Company for transfer of shares from suspense account during the year	Nil	Nil
Shareholders to whom shares were transferred from the suspense account during the year	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31st, 2020	02	615

The voting rights on the shares outstanding in the suspense account as on 31st March 2020 shall remain frozen till the rightful owner of such shares claims the shares.

**Q. Transfer of unclaimed/unpaid amounts to the Investor Education and Protection Fund (IEPF):**

Pursuant to Section 124 and other applicable provisions, if any, of the Companies Act, 2013, all unclaimed/unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount of debentures and deposits, as applicable, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, in relation to the Company shall be transferred to the Investor Education and Protection Fund.

During the Year, the Company was not required to transfer any amount to the Investor Education and Protection Fund. The following table contains the information relating to outstanding dividend account as on 31st March 2020 and the proposed dates of transfer the same to IEPF.

Financial Year	Dividend Per Share	Date of Declaration	Proposed/Due date of transfer to IEPF
2012-13	₹1.00	March 22, 2013	April 28, 2020*
2013-14	₹1.20	September 25, 2014	October 31, 2021
2014-15	₹1.30	September 25, 2015	October 31, 2022
2015-16	₹1.50	September 30, 2016	November 06, 2023
2016-17	₹2.25	September 21, 2017	October 28, 2024
2017-18	₹2.25	September 28, 2018	November 03, 2025
2018-19	₹2.25	September 25, 2019	October 31, 2026

\*Transferred to IEPF on dated 15th May 2020.

## Declaration of Compliance with the Code of Conduct.

**I hereby confirm that:**

The Company has obtained affirmation(s) from all the members of the Board and Senior Management Personnel, that they have complied with Code of Conduct for Board Members and Senior Management Personnel in respect of the Financial Year ended 31st March 2020.

Place: Yamuna Nagar  
Date: 30th May 2020

Umesh Chander Garg  
Managing Director



## Auditor's Certificate on Corporate Governance

To,  
The Members  
**Ruchira Papers Limited**

We, Subhash Sajal & Associates, Chartered Accountants, the Statutory Auditors of the Company have examined the compliance of conditions of Corporate Governance by the Company, for the year ended 31st March 2020, as stipulated in Regulation 17 to 27 and Clause (b) to (i) of Regulation 46(2) and para C and D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with the Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the standard on auditing specified under section 143(10) of the Company Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standards on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements.

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2020.

We state that 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.

For Subhash Sajal & Associates  
*Chartered Accountants*  
Registration No.018178N

**Subhash Mittal (F.C.A.)**  
*Partner*

Membership No.089077  
UDIN: 20089077AAAAC1144

Place-Yamuna Nagar  
Date: 29th June 2020



## Certification by Managing Director & Chief Financial Officer

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

We hereby certify that on the basis of the review of the financial statements and the cash flow statement for the financial year ended 31st March, 2020 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. 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;

We hereby certify that, to the best of our knowledge and belief, no transactions entered into during the year by the Company are fraudulent, illegal or violative of the Company's Code of Conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee:

1. There has not been any significant change in internal control over financial reporting during the year under reference;
2. There has not been any significant changes in accounting policies during the year under reference; and
3. We are not aware of any instance during the year of significant fraud with involvement therein, if any, of the management or an employee having a significant role in the internal control system over financial reporting.

For Ruchira Papers Limited

Place: Yamuna Nagar  
Date: 29th June 2020

**Umesh Chander Garg**  
(Managing Director)

**Vipin Gupta**  
(CFO & Executive Director)



## Independent Auditor's Report

To  
The Members of  
Ruchira Papers Limited

### Report on the Audit of the Financial Statements Opinion

We have audited the accompanying financial statements of Ruchira Papers Limited ("The Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equities and the Statement of Cash Flows for the year then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015 as amended (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

### Emphasis of Matter

We draw attention to Note no. 31 of the Financial Statements, which describes the uncertainties and the impact of COVID-19 pandemic on the Company's

operations and results as assessed by the management. Our opinion is not modified in respect of this matter.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the financial year ended March 31, 2020. We have determined that there are no key audit matters to communicate in our report.

### Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including annexures, Corporate Governance and Shareholders' Information, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and other generally accepted accounting principles in India including the Accounting Standards specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for

preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has

adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016, (the order) issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, based on our audit, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.



- (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
- (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of accounts.
- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.

- (g) In our opinion, the managerial remuneration for the year ended March 31, 2020 has been paid/

provided by the company to its directors in accordance with the provisions of section 197 read with Schedule V of the Act.

- (h) With respect of the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
- (i) The Company did not have any pending litigation, which may have impact on its financial position in its financial statements.
- (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the Year.

**For Subhash Sajal & Associates**

*Chartered Accountants*  
Registration No.018178N

**Subhash Mittal (FCA)**

*Partner*

Date: 29th June 2020

Place: Yamuna Nagar

Membership No.089077

UDIN:20089077AAAACH2732

## Annexure A to Independent Auditor's Report

Referred to in our Independent Auditor's Report of even date to the members of Ruchira Papers Limited on the financial statements as of and for the year ended March 31, 2020, we report the following:

- i. (a) The company has maintained proper records showing full particulars, including quantitative details and situation, of Property Plant and Equipment.
- (b) The Property Plant and Equipment were physically verified by the Management during the year in accordance with a regular verification programme which, in our opinion provides for physical verification of all the Property Plant and Equipment at reasonable interval. According to information and explanations given to us, no material discrepancies have been noticed on such verification.
- (c) In our opinion and according to information and explanations given to us and on the basis of an examination of the records of the Company, the title deeds of immovable properties included in Property Plant and Equipment are held in the name of the Company.
- ii. The physical verification of inventory except stocks in transit has been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been dealt with in books of account. However in respect of certain items, the inventories were verified by the management on a visual estimation which has been relied upon by us.
- iii. The company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Act. Accordingly the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- iv. No transactions relating to Loans, Investment, Guarantees and Security has been made during the year under the provisions of Section 185 and 186 of the Companies Act, 2013. Accordingly the provisions of clause 3 (iv) of the said Order are not applicable to the Company.
- v. In our opinion and according to information and explanations given to us the company has not accepted any deposit from the public within the meaning of Sections 73 to 76 of the Act or any other relevant provisions of the Act and the Rules framed thereunder. Accordingly paragraph 3(v) of the Order is not applicable to the Company.
- vi. Pursuant to the rules by the Central Government of India, the Company is required to maintain cost records as specified under Section 148 (1) of the Act in respect of its products. We have broadly reviewed the same, 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 the same.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, amounts deducted/ accrued in the books of account in respect of the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Taxes, Goods and Service Tax, Duty of Customs and other material statutory dues, as applicable, have been regularly deposited during the year by the Company with the appropriate authorities.  
  
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Taxes, Goods and Service Tax, Duty of Customs and other material statutory dues, were in arrears as at 31st March 2020 for a period of more than 6 months from the date they became payable.
- (b) According to the information and explanations given to us the records of the Company examined by us, there are no dues of Income Tax, Goods and Service Tax and Duty of Custom which have not been deposited on account of any dispute.
- viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial Institution or bank. The Company does not have any loans and borrowings from Government. Further, the Company has not issued any debentures.
- ix. The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) except term loans. The term loans raised during the year were utilized for the purpose for which those were raised.
- x. To the best of our knowledge and according to the information and explanations given to us, No material



- fraud by the Company or on the Company by its officers or employees, noticed or reported during the course of our audit.
- xi. In our opinion and according to information and explanations given to us, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the order are not applicable to the Company.
- xiii. In our opinion and according to information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act, wherever applicable. The details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv. In our opinion and according to information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the orders are not applicable to the Company.
- xv. In our opinion and according to information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3 (xvi) of the order are not applicable to the Company.

**For Subhash Sajal & Associates**

*Chartered Accountants*  
Registration No.018178N

**Subhash Mittal (FCA)**

*Partner*

Date: 29th June 2020

Place: Yamuna Nagar

Membership No.089077

UDIN:20089077AAAACH2732

## Annexure B to Independent Auditor's Report

Referred to in paragraph 2(f) of the Independent Auditor's Report of even date to the members of Ruchira Papers Limited on the financial statements for the year ended March 31, 2020, we report the following:

### Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of Ruchira Paper Limited ("the Company") as at March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Controls Over Financial Reporting ("the Guidance Note") and the Standards on Auditing, issued by ICAI deemed to be prescribed under section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the ICAI. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial control over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an

understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (iii) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, Projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal



financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal controls over financial reporting criteria established by the Company

considering the essential components over internal control stated in the Guidance Note on audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Subhash Sajal & Associates**

*Chartered Accountants*  
Registration No.018178N

**Subhash Mittal (FCA)**

*Partner*

Date: 29th June 2020

Place: Yamuna Nagar

Membership No.089077

UDIN:20089077AAAACH2732



**Balance Sheet** as at 31st March 2020

(Amount in ₹)

Particulars	Note No.	As at 31st March 2020	As at 31st March 2019
<b>A ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant and Equipment	2A	2339592784	2306190137
(b) Capital work-in-progress	2B	54104585	30152630
(c) Financial Assets:			
(i) Investments	3	2500	2500
(d) Other non-current assets	4	3466228	3466228
<b>Total Non Current Assets(A1)</b>		<b>2397166097</b>	<b>2339811495</b>
<b>2 Current assets</b>			
(a) Inventories	5	773534994	838385920
(b) Financial Assets			
(i) Trade receivables	6	631959901	631138143
(ii) Cash and cash equivalents	7	16246360	14722141
(iii) Loans & Advances	8	193942711	285922185
<b>Total Current Assets(A2)</b>		<b>1615683966</b>	<b>1770168389</b>
<b>Total Assets(A1+A2)</b>		<b>4012850063</b>	<b>4109979884</b>
<b>B EQUITY AND LIABILITIES</b>			
<b>1 EQUITY</b>			
(a) Equity Share capital	9	242518040	242518040
(b) Other Equity		2403155053	2200931739
<b>Total Equity(B1)</b>		<b>2645673093</b>	<b>2443449779</b>
LIABILITIES			
<b>2 Non-Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	10	59935430	134630483
(b) Provisions	11	26651132	21488118
(c) Deferred tax liabilities (Net)	12	242854010	328236284
(d) Other non-current liabilities	13	74736610	77890484
<b>Total Non Current Liability(B2)</b>		<b>404177182</b>	<b>562245369</b>
<b>3 Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	14	527435111	470593621
(ii) Trade payables	15	179877191	184683500
(b) Other current liabilities	16	144395615	206325341
(c) Provisions	17	51730340	46660320
(d) Current Tax Liabilities (Net)	18	59561531	196021954
<b>Total Current Liabilities(B3)</b>		<b>962999788</b>	<b>1104284736</b>
<b>Total Equity and Liabilities (B1+B2+B3)</b>		<b>4012850063</b>	<b>4109979884</b>

**SIGNIFICANT ACCOUNTING POLICIES**

1

This is the Balance Sheet Referred to in our report of even date.

The Notes refer to above form part of the Financial Statements

**Auditors Report**

Certified in terms of our separate report of even Date

**For Subhash Sajal and Associates**

Chartered Accountants

Registration No.018178N

**Subhash Mittal ( F.C.A.)**

Partner

Membership No.089077

Place: Yamuna Nagar

Date: 29th June 2020

**For and on behalf of Board of Directors****Jatinder Singh**

(Co-Chairman & Whole Time Director)

**Vipin Gupta**

(CFO & Executive Director)

**Umesh Chander Garg**

(Managing Director)

**Vishav Sethi**

(Company Secretary)



## Statement of Profit and Loss for the period ended 31st March 2020

(Amount in ₹)

Particulars	Note No.	2019-20	2018-19
<b>I</b> Revenue From Operations	19	4810139714	4939903805
<b>II</b> Other Income	20	15386283	18910003
<b>III Total Income (I+II)</b>		<b>4825525997</b>	<b>4958813808</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	21	3227388528	3108569850
Purchases of Stock-in-Trade		-	-
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	22	52939250	(111953126)
Employee benefits expense	23	464714913	433752648
Finance costs	24	68608753	80993337
Depreciation and amortization expense	2A	137198843	130883716
Other expenses	25	624467892	688336902
<b>Total expenses (IV)</b>		<b>4575318179</b>	<b>4330583327</b>
<b>V Profit/(loss) before exceptional items and tax (III- IV)</b>		<b>250207818</b>	<b>628230481</b>
<b>VI</b> Exceptional Items - (profit)/loss		(1153277)	4036942
<b>VII Profit/(loss) before tax (V-VI)</b>		<b>251361095</b>	<b>624193539</b>
<b>VIII</b> Tax expense:			
(1) Current tax		63117585	200557551
(2) Deferred tax		(85382274)	21285423
(3) Earlier year Taxes		(116618)	-
<b>IX Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>273742402</b>	<b>402350565</b>
<b>X Profit/(loss) from Discontinued operations (after tax)</b>		-	-
<b>XI Profit/(loss) for the period (IX+X)</b>		<b>273742402</b>	<b>402350565</b>
<b>XII</b> Other Comprehensive Income:			
A (i) Items that will not be reclassified to profit or (loss):- Remeasurements of the net defined benefits plans		(7712616)	(6714249)
(ii) Income tax relating to items that will not be reclassified to profit or (loss):- Remeasurements of the net defined benefits plans		(1976404)	(2345959)
B (i) Items that will be reclassified to profit or (loss)		-	-
(ii) Income tax relating to items that will be reclassified to profit or (loss)		-	-
<b>XIII Total Comprehensive Income for the period (XI+XII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>268006190</b>	<b>397982275</b>
<b>XIV Earnings per equity share (for continuing operation):</b>			
(1) Basic	26	11.29	17.43
(2) Diluted	26	11.29	17.43

This is the Statement of Profit and Loss referred to in our Report of even date.

The Notes refer to above form part of the Financial Statements

### Auditors Report

Certified in terms of our separate report of even Date

For **Subhash Sajal and Associates**

Chartered Accountants

Registration No.018178N

**Subhash Mittal ( F.C.A.)**

Partner

Membership No.089077

Place: Yamuna Nagar

Date: 29th June 2020

### For and on behalf of Board of Directors

**Jatinder Singh**

(Co-Chairman & Whole Time Director)

**Vipin Gupta**

(CFO & Executive Director)

**Umesh Chander Garg**

(Managing Director)

**Vishav Sethi**

(Company Secretary)

**Statement of Cash Flow** for the year ended 31st March 2020

(Amount in ₹)

Particular	For the year ended 31st March 2020	For the year ended 31st March 2019
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>Net Profit Before Tax as per Profit and Loss Account</b>	251361095	624193539
Adjusted for:		
Loss/(Profit) on sale of Fixed Assets (Net)	(1153277)	4036942
Depreciation and amortization expenses	137198843	130883716
Net Defined Benefits Plans Charged to OCI	(7712616)	(6714249)
Interest/Dividend Income	(13259760)	(13978457)
Interest Expense	63228267	77045963
	178301457	191273915
<b>Operating Profit before working capital changes</b>		
Adjusted for:		
Decrease/(increase) in Trade Receivables	(821758)	(155224979)
Decrease/(increase) in Inventories	64850926	(154266273)
Decrease/(increase) in Loans & advances	(5365321)	(34359018)
(Decrease)/increase in Trade Payables	(4806309)	(2376895)
(Decrease)/increase in Other Current Liabilities	(1723128)	(15641929)
	52134410	(361869094)
<b>Cash generated from Operations</b>	<b>481796962</b>	<b>453598360</b>
Income Tax Paid(Net)	(99824946)	(218968952)
Net Cash from Operating Activities	<b>381972016</b>	<b>234629408</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(196030413)	(172604539)
Proceeds from sale of Fixed assets	2315000	6050000
Increased in non current Assets	-	-
Increase in Long term Loan and Advances	-	-
Interest/Dividend received	13259760	13978457
Net Cash (Used in ) Investing Activities	<b>(180455653)</b>	<b>(152576082)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	21550000	94969376
Repayments of Long Term Borrowing	(149372491)	(214261848)
Proceeds from Short Term Borrowings(Net)	56841490	(15473486)
Proceeds from share Issue (Including Security Premium)	-	192836250
Dividend Paid	(54566559)	(50449059)
Dividend Tax	(11216317)	(10369952)
Interest Paid	(63228267)	(77045963)
Net Cash (Used in ) From Financing activities	<b>(199992144)</b>	<b>(79794682)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash equivalents (A+B+C)</b>	1524219	2258644
Cash & Cash equivalents at beginning of the period	14722141	12463497
Cash & Cash equivalents at end of the period*	16246360	14722141

\* Include towards unclaimed dividend of ₹836451/- (Previous year ₹787051/-)

**Notes:**

1. Previous year figures have been regrouped / rearranged wherever necessary.
2. Negative figures have been shown in brackets.

**Auditors Report**

Certified in terms of our separate report of even Date

For **Subhash Sajal and Associates**Chartered Accountants  
Registration No.018178N**Subhash Mittal ( F.C.A.)**Partner  
Membership No.089077

Place: Yamuna Nagar

Date: 29th June 2020

**For and on behalf of Board of Directors****Jatinder Singh**

(Co-Chairman &amp; Whole Time Director)

**Vipin Gupta**

(CFO &amp; Executive Director)

**Umesh Chander Garg**

(Managing Director)

**Vishav Sethi**

(Company Secretary)



## Statement of Change in Equity for the period ended 31st March 2020

### A. Equity Share Capital

(Amount in ₹)

Particular	No. of Share	Amount in ₹
<b>Balance as at 01/04/2019</b>	24251804	242518040
Changes in equity share capital during the period	-	-
<b>Balance as at 31/03/2020</b>	<b>24251804</b>	<b>242518040</b>

### B. Other Equity

(Amount in ₹)

Particulars	Reserves and Surplus			Other items of Other Comprehensive Income	Money received against share warrants	Total
	Securities Premium Reserve	General Reserve	Retained Earnings	Remeasurements of net defined benefits plans		
<b>Balance as at 01/04/2019</b>	419901954	39626724	1748027105	(6624044)	-	2200931739
Changes in accounting policy or prior period errors						-
Restated balance at the beginning of the reporting period	419901954	39626724	1748027105	(6624044)	-	2200931739
Profit for the Year	-	-	273742402	-	-	
Other Comprehensive Income for the year	-	-	-	(5736212)	-	(5736212)
Dividends paid	-	-	54566559	-	-	54566559
Dividend Tax paid	-	-	11216317	-	-	11216317
Transfer to retained earnings	-	-	-	-	-	-
Cash Proceeds/(Payments)	-	-	-	-	-	-
<b>Balance as at 31/03/2020</b>	<b>419901954</b>	<b>39626724</b>	<b>1955986631</b>	<b>(12360256)</b>	<b>-</b>	<b>2403155053</b>

#### Auditors Report

Certified in terms of our separate report of even Date

#### For Subhash Sajal and Associates

Chartered Accountants  
Registration No.018178N

#### Subhash Mittal ( F.C.A.)

Partner  
Membership No.089077

Place: Yamuna Nagar  
Date: 29th June 2020

#### For and on behalf of Board of Directors

**Jatinder Singh**  
(Co-Chairman & Whole Time Director)

**Vipin Gupta**  
(CFO & Executive Director)

**Umesh Chander Garg**  
(Managing Director)

**Vishav Sethi**  
(Company Secretary)

## Notes to Financial Statements for the period ended 31st March 2020

### 1. Corporate Information:

Ruchira Papers Limited (the Company) is a manufacturing company. The Company manufactures Kraft Paper and Writing and Printing Paper. The Company is a public limited company incorporated and domiciled in India. The address of its Registered Office is Tirlokpur Road, Kala Amb, Distt-Sirmaur, Himachal Pradesh-173030. The equity shares of the company are listed on National Stock Exchange of India Ltd (NSE) and BSE Limited (BSE).

The Financial Statements for the year ended March 31, 2020 were approved by the Board of Directors and authorized for issue on June 29, 2020.

### 2. Basis for preparation, measurement and significant accounting policies

#### 2.1 Basis for preparation and measurement

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS" as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time under the historical cost convention on the accrual basis.

Accounting Policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to existing accounting standard requires a change in the accounting policy either to in use.

#### 2.2 Statement of Compliance

The Financial Statements comply with all material aspects with Indian Accounting Standards.

#### 2.3 Functional and Presentation Currency

The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees. All amount have been rounded off to the nearest rupees unless otherwise indicated.

#### 2.4 Use of estimates and judgments

The preparation of these financial statements in conformity with recognition and measurement principles of Ind AS requires the management of the Company to make judgments, estimates and assumptions. These estimates, judgments and assumptions effect the application of accounting policy and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in notes. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes and estimates are made as the Management becomes aware of the changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their affects are disclosed in the notes to the financial statements.

The areas involving significant estimates and judgement include determination of useful life of property, plant and equipment, measurement of defined benefit obligations, recognition and measurement of provisions and contingencies and recognition of deferred tax assets/liabilities.

### 3. Critical accounting estimates

#### a) Revenue recognition

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. Sales are recognized when goods are supplied and the significant risks and rewards or ownership of the goods have passed to the buyer. Dividend income is accounted in the year in which it is received. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

#### b) Export Incentives

The revenue in respect of export benefits is recognized on post export basis at the rate at which the entitlements accrue.



## Notes to Financial Statements for the period ended 31st March 2020

### c) Insurance and other claims

Insurance and other claims are recognized when there exist no significant uncertainty with regard to the amount to be realized and the ultimate collection thereof.

### d) Income Taxes

Significant judgments are involved in determining the provisions for income taxes including amount expected to be paid/incurred on uncertain tax positions.

### e) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The change in respect of periodic depreciation is derived after determining an estimate of an assets expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets determine by the management at the time asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as change in technology.

## 4. Significant Accounting Policies

### a) Property, plant and equipment:

Property, plant and equipment is stated at acquisition cost net of Input Tax Credit/Cenvat, accumulated depreciation and accumulated impairment losses, if any. The Cost of these assets comprise its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use. Subsequent expenditure relating to an item of assets are added to its book value only if they increase the future benefits from the existing assets beyond its previously assessed standard of performance. All other repairs and maintainance cost are charged to the statement of profit and loss during the period in which they are incurred.

Gains/Losses arising on disposal of property, plant and equipment are recognized in the statement of profit and loss as exceptional items.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as Capital Work in Progress.

Depreciation on fixed assets other than vehicles and furniture & fixtures is provided on straight line method based on estimated useful life prescribed under Schedule II of the Companies Act, 2013. Depreciation on vehicles and furniture & fixtures has been provided on written down value method under Schedule II of the Companies Act, 2013.

The depreciation on plant and machinery and effluent treatment plant has been provided on the rates applicable to continuous process plant.

#### Freehold land is not depreciated.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at the end of each financial year and adjusted prospectively, if appropriate.

### b) Inventories:

Inventories are valued at the lower of cost and net realizable value after providing for obsolescence, if any except in case of by-product which are valued at net realizable value. The cost is computed on First in First out (FIFO) basis. 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.

### c) Cash and Cash Equivalent:

Cash and Cash Equivalent are short term (3 months or less from the date of acquisition), highly liquid investments that are daily convertible into cash and which are subject to and insignificant risk of changes in value.

### d) Trade Receivables:

Trade receivables are recognized at fair value.

## Notes to Financial Statements for the period ended 31st March 2020

### e) Impairment of Non Financial Tangible Assets:

Property, plant and equipment with finite life are evaluated for recoverability whenever there is an indication that carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e higher of fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flow that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the assets belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.

### f) Cash Flow Statement

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS)-7 "Statement of Cash Flows" using the Indirect Method for operating activities.

### g) Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of cost of such asset. Qualifying asset is one that takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expenditure in the period in which these are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### h) Foreign currency transactions

#### Functional and Presentation currency

The functional currency of the company is Indian rupee. These financial statements are presented in Indian rupees.

#### Transaction and balances

Transactions in foreign currency are initially recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency at the date of the transaction.

Effective 01 April 2018, the company has adopted Appendix-B to Ind-AS 21 'Foreign currency transaction and advance consideration', which clarifies the date of transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset, expense or income where an entity has paid or received advance consideration in a foreign currency. The effect on account of adoption of this amendment is insignificant.

Exchange differences arising on the settlement of monetary items or on reporting of monetary items at rates different from rates at which these were recognized on initial recognition during the period or reported in previous financial statements as recognized in the statement of profit or loss in the period in which they arise.

### i) 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.

### j) Expenditure:

Expenses are accounted on accrual basis.

### k) Employee Benefits:

#### Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuation being carried out at each Balance Sheet date. Actuarial Gains and losses on funded obligations are recognized in full in other comprehensive income for the period in which they occur.

#### Defined Contribution Plans

Contributions to defined contribution plans are recognized as expense when employee have rendered services entitling them to such benefits.



## Notes to Financial Statements for the period ended 31st March 2020

### l) Income Taxes:

Income Tax expense for the year comprises both current and deferred taxes. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. It is recognized in the statement of profit and loss. 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.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

### m) Earnings per Share:

Basic Earnings per Share is computed by dividing profit or loss attributable to equity shareholders of the company by the weighted average number of equity share outstanding during the year.

For the purpose of calculating diluted Earnings per share, the net profit for the period attributable to equity shares and the weighted average number of equity share outstanding during the period is adjusted for the effect of all dilutive potential equity shares.

### Estimation uncertainty relating to global health pandemic on COVID-19

The Company has made detailed assessment of its liquidity position for the next year and the recoverability and carrying value of its assets comprising property plant and equipment, investments, inventory and trade receivables. Based on the current indicator of future economic conditions, the Company expects to recover the carrying amount of these assets. The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from the estimated as at the date of approval of these financial statements.

The Company will continue to closely monitor any material changes arising in future economic condition and impact on its business.

### Recent Accounting Pronouncements

#### a) Ind AS 116- Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019. The standard permits two possible methods of transition:

**Full retrospective-** Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

**Modified retrospective-** Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:



## Notes to Financial Statements for the period ended 31st March 2020

Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

### b) Ind AS 12- Appendix C- Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition.

- i) Full retrospective approach- Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight.
- ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019.

#### Amendment to Ind AS 12 - Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019.

### c) Amendment to Ind AS 19 - plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date of application of this amendment is annual period beginning on or April 1, 2019.

### d) Ind AS 109- Prepayment features with Negative Compensation:

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. These amendments have not any material impact on its financial statements.

### e) Ind AS 23- Borrowing costs:

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, the borrowing become part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. These amendments have not any material impact on its financial statements.



## Notes to Financial Statements for the period ended 31st March 2020

### 2. Property, Plant and Equipments and Capital Work in Progress

(Amount in ₹)

Description	Cost			Provision for Dep			Net Block		
	As at 01.04.2019	Additions	Disposals/ Transfer	As at 31.03.2020	As at 01.04.2019	For the year (19-20)	Disposals/ Transfer	As at 31.03.2020	As at 31.03.2019
<b>A) Property, Plant &amp; Equipment</b>									
<b>Tangible Assets:</b>									
Land	355384279	-	-	355384279	-	-	-	355384279	355384279
Building	360704631	12045385	-	372750016	126390010	11452410	-	234907596	234314621
Office Building	59362915	-	-	59362915	6272922	937934	-	52152059	53089993
Plant & Machinery	2605882139	153740924	-	2759623063	1045994525	99146277	-	1614482261	1559887614
E.T.P.	60340270	3110860	-	63451130	46263415	759321	-	16428394	14076855
Tube Well	7727246	-	-	7727246	5590494	499916	-	1636836	2136752
Furniture	28548618	196850	-	28745468	14958523	3361052	-	10425893	13590095
Office Equipments	13717278	367126	-	14084404	8751185	1049924	-	4283295	4966093
Vehicles	130202561	1576189	13029046	118749704	65744309	19823894	11867323	45048824	64458252
Misc. Fixed Assets	27039101	1041124	-	28080225	22753518	483360	-	4843347	4285583
<b>Sub-Total (a)</b>	<b>3648909038</b>	<b>172078458</b>	<b>13029046</b>	<b>3807958450</b>	<b>1342718901</b>	<b>137514088</b>	<b>11867323</b>	<b>2339592784</b>	<b>2306190137</b>
<b>B) Capital Work In Progress</b>									
Plant & Machinery(CWIP)	-	-	-	-	-	-	-	28511547	11725496
Building Under Construction (CWIP)	-	-	-	-	-	-	-	572216	-
Tubewell (CWIP)	-	-	-	-	-	-	-	-	-
Pre-Operative Exp.(CWIP)	-	-	-	-	-	-	-	25020822	18427134
<b>Sub-Total (b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>54104585</b>	<b>30152630</b>

\* NOTE- ₹315245/- BEING THE AMOUNT OF DEPRECIATION CHARGED ON ASSETS BELONGING TO PUNJAB PROJECT/UNIT IS NOT CHARGED TO THE STATEMENT OF PROFIT & LOSS AND IS CHARGED TO PRE-OPERATIVE EXPENSES AS THE PUNJAB PROJECT /UNITS UNDER IMPLEMENTATION.

## Notes to Financial Statements for the period ended 31st March 2020

### 3 Non Current Investments

(Amount in ₹)

Particulars	As at 31st March 2020	As At 31st March 2019
<b>Other Investments</b>		
In Equity Shares-Unquoted, fully paid up		
250 Shivalik Solid waste Management Ltd. ₹10 each	2500	2500
	<b>2500</b>	<b>2500</b>

### 4 Other Non Current Assets

(Unsecured and Considered Good)

(Amount in ₹)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Security Deposits</b>		
With HPSEB and Others	3466228	3466228
	<b>3466228</b>	<b>3466228</b>

### 5 Inventories

(Amount in ₹)

Particulars	As at 31st March 2020	As at 31st March 2019
Raw Materials and components	306638270	356166613
Work-in-progress	73007000	53185500
Finished goods	75705065	148465815
Stores and spares	318184659	280567992
	<b>773534994</b>	<b>838385920</b>

### 6 Trade Receivables

(Amount in ₹)

Particulars	As at 31st March 2020	As at 31st March 2019
Unsecured and Considered Good	631959901	631138143
<b>TOTAL</b>	<b>631959901</b>	<b>631138143</b>

### 7 Cash & Cash Equivalent

(Amount in ₹)

Particulars	As at 31st March 2020	As at 31st March 2019
Balances with Banks*	854306	807738
Cash in hand	2082054	3144403
Margin Money*	13310000	10770000
<b>TOTAL</b>	<b>16246360</b>	<b>14722141</b>

\*Balance with bank includes ₹836451/- as Unpaid Dividend (Previous Year- ₹787051/-) and margin money includes ₹1056000/- as fixed deposits with Banks having maturity period of more than 12 months (Previous Year - ₹435000/-).



## Notes to Financial Statements for the period ended 31st March 2020

### 8 Short Term Loans and Advances

(Unsecured and Considered Good)

(Amount in ₹)

Particulars	As at 31st March 2020		As At 31st March 2019	
<b>Others</b>				
Balance with revenue authorities	101113005		198773045	
Other loan and advances	91182950		75139590	
Interest incurred but not due	1646756	193942711	12009550	285922185
<b>TOTAL</b>		<b>193942711</b>		<b>285922185</b>

### 9 Share Capital

(Amount in ₹)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Authorised Share Capital</b>		
31000000 Equity Shares of ₹10/- each (31000000)	310000000	310000000
<b>Issued Subscribed and Paid up</b>		
24251804 Equity Shares of ₹10/- each fully paid up	242518040	242518040
<b>TOTAL</b>	<b>242518040</b>	<b>242518040</b>

9.1 The reconciliation of the number of shares outstanding is set out below:

Particulars	As at 31st March 2020	As at 31st March 2019
	Number of Shares	Number of Shares
Equity Shares at the beginning of the Year	24251804	22421804
Add: Equity Shares Issued during the year	-	1830000
Less: Equity Shares bought back during the year	-	-
Equity Shares at the end of the year	24251804	24251804

9.2 The details of Shareholders holding more than 5% Shares

Name of Shareholder	As at 31st March 2020		As at 31st March 2019	
	No. of Shares	% held	No. of Shares	% held
Sh.Jatinder Singh	2444090	10.08%	2444090	10.08%
Sh.Umesh Chander Garg	1470455	6.06%	1470455	6.06%
MS.Charanjeet Kaur	1273534	5.25%	1273534	5.25%

9.3 The company has only one class of equity shares having a face value of ₹10/- per share. Accordingly all equity shares rank equally with regards to dividends and share in the company's residual assets on winding up if any. Each holder of equity share is entitled to one vote per share.

9.4 During the five year immediately preceding 31st March 2020, neither any bonus shares have been issued nor any shares have been bought back. Further, no share have been issued for consideration other than cash.

## Notes to Financial Statements for the period ended 31st March 2020

### 10 Non Current Borrowings

(Amount in ₹)

Particulars	As at 31st March 2020		As At 31st March 2019	
<b>Secured</b>				
<b>Term Loans</b>				
From Banks	23458259		112901894	
From Others	14927171	38385430	21728589	134630483
<b>Unsecured</b>				
From Other( Directors/Promoters)		21550000		-
<b>TOTAL</b>		<b>59935430</b>		<b>134630483</b>

**10.1** The term loans from 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 . 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. Home loan is secured by first charge on flat at GK-II New Delhi.

### 11 Non Current Provisions

(Amount in ₹)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Provision for employee benefits</b>		
Leave Encashment	26651132	21488118
<b>TOTAL</b>	<b>26651132</b>	<b>21488118</b>

### 12 Deferred Tax Liability (Net)

(Amount in ₹)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Deferred Tax Liability</b>		
Related to fixed assets	250899024	337218672
<b>Deferred Tax Assets</b>		
Unabsorbed Depreciation/disallowances under the Income Tax Act, 1961	8045014	8982388
<b>TOTAL</b>	<b>242854010</b>	<b>328236284</b>

### 13 Other Non Current Liabilities

(Amount in ₹)

Particulars	As at 31st March 2020		As At 31st March 2019	
Creditors for Capital Work	7552707		5335684	
Security Deposit From Suppliers	10185000		12935000	
Security Deposit From Customers	56998903	74736610	59619800	77890484
<b>TOTAL</b>		<b>74736610</b>		<b>77890484</b>

### 14 Current Borrowings

(Amount in ₹)

Particulars	As at 31st March 2020	As at 31st March 2019
<b>Secured</b>		
<b>Working Capital Loans from Banks</b>		
Rupee Loans	527435111	470593621
<b>TOTAL</b>	<b>527435111</b>	<b>470593621</b>



## Notes to Financial Statements for the period ended 31st March 2020

**14.1** The working capital limits (Fund Based and Non-Fund Based) from banks are secured by exclusive charge on all 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.

### 15 Trade Payables

(Amount in ₹)

Particulars	As at	
	31st March 2020	31st March 2019
Micro Small and Medium Enterprises	11595778	13008045
Others	168281413	171675455
<b>TOTAL</b>	<b>179877191</b>	<b>184683500</b>

**15.1** The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:

Particulars	As at 31st March 2020		As At 31st March 2019	
Principal amount due and remaining unpaid		-		-
Interest due on above and the unpaid interest		-		-
Interest paid		-		-
Payment beyond the appointee day during the year		-		-
Interest due and payable for the period of delay		-		-
Interest accrued and remaining unpaid		-		-
Amount of further interest remaining due and payable in succeeding years.		-		-

### 16 Other Current Liabilities

(Amount in ₹)

Particulars	As at 31st March 2020		As At 31st March 2019	
Current maturities of long-term debts	88936870		142064308	
Advances from Customers*	5935398		6421798	
Unclaimed dividend	836451		787051	
Statutory dues	14540076		33427311	
Other provisions (expenses payable)	34146820	144395615	23624873	206325341
<b>TOTAL</b>		<b>144395615</b>		<b>206325341</b>

\* Amount received for supply of goods/material and outstanding amount does not exceed the period of 365 days.

### 17 Current Provisions

(Amount in ₹)

Particulars	As at 31st March 2020		As At 31st March 2019	
<b>Provision for employee benefits</b>				
Salary & Reimbursements	28432887		23754514	
Leave Encashment	4743313		4216980	
Contribution to EPF	4985813		4796655	
Superannuation	483410		722523	
Annual Bonus	13084917	51730340	13169648	46660320
<b>TOTAL</b>		<b>51730340</b>		<b>46660320</b>

## Notes to Financial Statements for the period ended 31st March 2020

### 18 Current Tax Liability (Net)

(Amount in ₹)

Particulars	As at 31st March 2020		As At 31st March 2019	
Provision for Income Tax	61141181		198211592	
Less Mat Credit to be Utilised	-		-	
Less TDS and TCS	1579650	59561531	2189638	196021954
<b>TOTAL</b>		<b>59561531</b>		<b>196021954</b>

### 19 Revenue from Operations

(Amount in ₹)

Particulars	2019-20	2018-19
Sale of products	4824536226	4947907181
Less: Rebate & Discount	14396512	8003376
<b>TOTAL</b>	<b>4810139714</b>	<b>4939903805</b>

#### 19.1 Particulars of Sale of Products

(Amount in ₹)

Particulars	2019-20	2018-19
Kraft Paper	2040530054	1902480425
Writing & Printing Paper	2747349411	3015367798
Ash/Sludge or Others	30886370	19623249
Sale of iron scrap	5770391	10435709
<b>TOTAL</b>	<b>4824536226</b>	<b>4947907181</b>

#### 19.2 Information about Major Customers

One customer represents 10% or more of the Company's total revenue during the year ended 31st March 2020.(31st March 2019 :NIL)

### 20 Other Income

(Amount in ₹)

Particulars	2019-20	2018-19
Interest Income	13259322	13978082
Difference in foreign Currency	-	730184
Duty Draw Back Incentive	1014914	517481
Dividend Income	438	375
Short & excess recoveries	6345	20895
MEIS Incentives	393692	2747745
PMRPY (BENEFIT)	711572	915241
<b>TOTAL</b>	<b>15386283</b>	<b>18910003</b>

### 21 Cost Of Materials Consumed

(Amount in ₹)

Particulars	2019-20		2018-19	
	Amount	Consumption Percentage	Amount	Consumption Percentage
Imported	396628654	12.29	258864388	8.33
Indigenous	2830759874	87.71	2849705462	91.67
<b>TOTAL</b>	<b>3227388528</b>	<b>100.00</b>	<b>3108569850</b>	<b>100.00</b>



## Notes to Financial Statements for the period ended 31st March 2020

### 21 Cost Of Materials Consumed (contd.)

#### 21.1 Particulars of Material Consumed

(Amount in ₹)

Particulars	2019-20		2018-19	
Raw Materials	2050302991		1866583590	
Fuel	625724467		715107005	
Chemicals	551361070	3227388528	526879255	3108569850
<b>TOTAL</b>		<b>3227388528</b>		<b>3108569850</b>

### 22 Changes in Inventories of Finished Goods & Stock in Process

(Amount in ₹)

Particulars	2019-20		2018-19	
<b>Inventories (At close)</b>				
- Finished Goods	75705065		148465815	
- Semi Finished Goods and Goods in process	73007000	148712065	53185500	201651315
<b>Inventories (At commencement)</b>				
- Finished Goods	148465815		53841689	
- Semi Finished Goods and Goods in process	53185500	201651315	35856500	89698189
<b>TOTAL</b>		<b>52939250</b>		<b>(111953126)</b>

### 23 Employee Benefits Expense

(Amount in ₹)

Particulars	2019-20	2018-19
Bonus to Staff	1748312	1847142
Bonus to Workers	11180247	11346035
Contribution towards Gratuity Fund	11225775	9035840
Conveyance Allowance	53400	36600
News Paper & Periodical Allowance	230224	241243
Directors' Remuneration	74663000	73973000
E.D.L.I. Charges	1227928	1194890
E.S.I.	4090658	5430936
Labour & Staff Welfare	2938826	3734691
Leave Encashment	6679386	3506892
EPF & Administrative Charges	30698237	29937817
Production Staff Salaries	216916805	197474071
Salaries Adm. Staff	91666673	86631457
Wages	11395442	9362034
<b>TOTAL</b>	<b>464714913</b>	<b>433752648</b>

23.1 As per IND AS 19 "Employee benefits", the disclosures are given below:

#### Defined Benefit Plan

The employees' gratuity fund scheme managed by trust is a defined benefit plan. The present value of obligation is determined based on Actuarial Valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is determined based on Actuarial valuation using Projected Unit Credit Method



## Notes to Financial Statements for the period ended 31st March 2020

### 23 Employee Benefits Expense (contd.)

#### I) Reconciliation of opening and closing balances of Defined Benefit Obligation

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Un-Funded)	
	2019-20	2018-19	2019-20	2018-19
Defined Benefit Obligation at the beginning of Year	91113987	76473548	25705098	23545416
Current service cost	9959663	8485175	4237891	3655474
Interest Cost	6970220	5896111	1966440	1815352
Past Service Cost	-	-	-	-
Actuarial (Gain)/Loss	7734400	5973735	475055	(1963934)
Benefits paid	(2558767)	(5714582)	(990039)	(1347210)
<b>Defined Benefit Obligation at the Year end</b>	<b>113219503</b>	<b>91113987</b>	<b>31394445</b>	<b>25705098</b>

#### II) Reconciliation of opening and closing balances of Fair Value of Plan Assets

(Amount in ₹)

Particulars	Gratuity (Funded)	
	2019-20	2018-19
Fair Value of Plan Assets at the beginning of year	74563499	69331341
Actual return on plan Assets	5725892	4604932
Employer Contribution	17250089	6341808
Benefits paid	(2558767)	(5714582)
<b>Fair Value of Plan Assets at year end</b>	<b>94980713</b>	<b>74563499</b>

#### III) Reconciliation of Fair Value and Obligations

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Un-Funded)	
	2019-20	2018-19	2019-20	2018-19
Fair Value of Obligation	113219503	91113987	31394445	25705098
Funded status/difference	(18238790)	(16550488)	(31394445)	(25705098)
Fair Value of Plan Assets at the end of the year	94980713	74563499		
<b>Amount recognized in Balance Sheet</b>	<b>(18238790)</b>	<b>(16550488)</b>	<b>(31394445)</b>	<b>(25705098)</b>

#### IV) The charge to the statement of profit and loss comprises

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Un-Funded)	
	2019-20	2018-19	2019-20	2018-19
<b>a) Employee Benefit Expenses:-</b>				
Current Service Cost	9959663	8485175	4237891	3655474
Past service cost	-	-	-	-
Interest Cost on defined benefits obligation	6970220	5896111	1966440	1815352
Interest Income on plan assets	(5704108)	(5345446)		
Net Actuarial (Gain)/Loss	-	-	475055	(1963934)
<b>Net impact on profit before tax</b>	<b>11225775</b>	<b>9035840</b>	<b>6679386</b>	<b>3506892</b>

(Amount in ₹)

Particulars	Gratuity (Funded)	
	2019-20	2018-19
<b>b) Remeasurement of the net defined benefit plans:-</b>		
Net cumulative unrecognized actuarial gain/(loss)opening	-	-
Actuarial gain/(loss) for the year on PBO	(7734400)	(5973735)
Actuarial gain/(loss) for the year on Assets	21784	(740514)
<b>Net Impact on other Comprehensive income before tax</b>	<b>(7712616)</b>	<b>(6714249)</b>



## Notes to Financial Statements for the period ended 31st March 2020

### 23 Employee Benefits Expense (contd.)

#### V) Actuarial Gain/(loss) on plan assets

(Amount in ₹)

Particulars	Gratuity (Funded)	
	2019-20	2018-19
Expected interest income	5704108	5345446
Actual Income on plan assets	5725892	4604932
<b>Actrial gain/(loss) on plan assets during the year</b>	<b>21784</b>	<b>(740514)</b>

#### VI) Actuarial (Gain)/loss on Obligation

(Amount in ₹)

Particulars	Gratuity		Leave Encashment	
	2019-20	2018-19	2019-20	2018-19
Actuarial (gain)/loss on arring from change in demographic assumption	56609	-	12719	-
Actuarial (gain)/loss on arring from change in financial assumption	6699164	462389	2231650	158058
Actuarial (gain)/loss on arring from change in experience adjustment	978627	5511346	(1769314)	(2121992)
<b>Actrial (gain)/loss on plan assets during the year</b>	<b>7734400</b>	<b>5973735</b>	<b>475055</b>	<b>(1963934)</b>

#### VII) Investments Details

(Amount in ₹)

Particulars	% Invested	
	As at 31st March 2020	As at 31st March 2019
GOI Securities	-	-
Public Securities	-	-
State Government Securities	-	-
Insurance Policies	-	-
Others( including Bank Balances)	100	100
<b>TOTAL</b>	<b>100</b>	<b>100</b>

#### VIII) Actuarial Assumptions

(Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Un-Funded)	
	2019-20	2018-19	2019-20	2018-19
Mortality Table (LIC)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Discounting rate (per annum)	6.92%	7.65%	6.92%	7.65%
Expected rate of return on Plan Assets (per annum)				
Kraft Paper Unit	7.65%	6.50%	-	-
Writing & Printing Paper Unit	7.65%	6.50%	-	-
Future salary Increase (per annum)	5.50%	5.50%	5.50%	5.50%

The Estimates of salary growth rate is considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors on long term basis.

The discount rate is generally based upon the market yields available on Government Bonds at the accounting date with a term that matches that of the liabilities.

## Notes to Financial Statements for the period ended 31st March 2020

### 24 Finance Costs

(Amount in ₹)

Particulars	2019-20	2018-19
Interest Expenses on Working Capital	42087812	41151986
Interest Expenses on Term Loans	17665504	26734267
Bank Charges	5380486	3947374
Other Interest Expenses	3474951	9159710
<b>TOTAL</b>	<b>68608753</b>	<b>80993337</b>

### 25 Other Expenses

(Amount in ₹)

Particulars	2019-20	2018-19		
<b>Manufacturing Expenses</b>				
Ash Clearing Expenses	2910781	10744487		
Broke Shifting Charges	571479	2595961		
Consumable Stores & Electric Repairs	82169965	104120654		
E.T.P. Expenses	9747386	7962847		
Job Work Charges	1241949	-		
Land Rent Expenses	168868	195245		
Packing Material Consumed	79989835	83892307		
Power	247230820	240618733		
Repairs to Building	11807077	8988192		
Repairs to Machinery	92075016	106340772		
Sheet Cutting Charges	4353399	16184516		
Testing Charges	413487	481875		
Tractor Running & maintenance	3775517	4117492	586243081	
<b>Selling &amp; Distribution Expenses</b>				
Advertisement & Publicity	1385972	1500906		
Business/ Sales Promotion	5689735	4085659		
Commission Paid	23165892	20354021		
Freight & Forwarding	3687446	33929045	12702806	38643392
<b>Establishment Expenses</b>				
Directors' Meeting Fees	500000	500000		
Travelling & Conveyance	8411366	16643838		
Rent	42000	42000		
Water & Electricity Expenses	246030	233378		
Postage & Courier	516530	462541		
Printing & Stationery	742149	833313		
Corporate Social Responsibility (CSR)	6384988	6692237		
Donation	246000	100000		
Telephone Expenses	1170075	1344031		
Legal & Consultancy Expenses	3490857	4773576		
Vehicle Running & Maintenance	5994247	6228916		
Bus Running & Maintenance	2178373	2352999		
Repairs & Maintenance others	4303425	4329099		
Research & Development	-	1000000		
Insurance	11140913	9556130		
News Papers & Periodicals	64623	55797		
Auditors Remuneration				
- Statutory Audit	240000	240000		
- Internal Audit	600000	600000		
- Cost Audit	65000	65000		
- GST Audit	70000	-		
- Audit Expenses	265670	264342		



## Notes to Financial Statements for the period ended 31st March 2020

### 25 Other Expenses (contd.)

(Amount in ₹)

Particulars	2019-20		2018-19	
Fees and Taxes	5666049		3651532	
Filling Fee	12160		16885	
Subscription	389849		439233	
Training and Seminar Expenses	68000		-	
Export Exps.	1274964	54083268	3025582	63450429
<b>TOTAL</b>		<b>624467892</b>		<b>688336902</b>

#### 25.1 Value of Stores, Consumables and Packing Material Consumed

(Amount in ₹)

Particulars	2019-20		2018-19	
	Amount	Consumption Percentage	Amount	Consumption Percentage
Imported	12043883	4.74	11130409	3.78
Indigenous	242190933	95.26	283223324	96.22
<b>TOTAL</b>	<b>254234816</b>	<b>100.00</b>	<b>294353733</b>	<b>100.00</b>

#### 25.2 Value of Imports on CIF Basis in respect of

(Amount in ₹)

Particulars	2019-20	2018-19
Raw Materials and Chemicals	304284539	246692543
Stores, Consumables and Packing materials	18460658	10596490
Plant & Machinery	56371611	19748823

#### 25.3 Payments to Auditors as

(Amount in ₹)

Particulars	2019-20	2018-19
Statutory & Tax Audit Fees	240000	240000
Reimbursement of Expenses	28970	23742
Cost Audit Fees	65000	65000
<b>TOTAL</b>	<b>333970</b>	<b>328742</b>

#### 25.4 Expenditure in Foreign Currency:

(Amount in ₹)

Particulars	2019-20	2018-19
Royalty ,know-how, professional and consultation fee	1146093	-
Interest and other matters	-	-
Foreign Travelling	-	-
Machinery Spares including Advances	20622524	21159357
Machinery Purchase	57198514	12403275

### 26 Earnings Per Share (EPS)

(Amount in ₹)

Particulars	2019-20	2018-19
i) Net Profit after tax as per Statement of profit and Loss attributable to Equity shareholders	273742402	402350565
ii) Weighted Average number of equity share used as denominator for calculating Basic EPS	24251804	23088626
iii) Basic Earning per share	11.29	17.43
iv) Weighted Average number of equity share used as denominator for calculating Diluted EPS as per treasury stock method	24251804	23088626
v) Diluted Earning per share	11.29	17.43
vi) Face Value per equity share	10.00	10.00

## Notes to Financial Statements for the period ended 31st March 2020

### 27 Earnings in Foreign Exchange

(Amount in ₹)

Particulars	2019-20	2018-19
FOB value of exports	11490689	71063784

### 28 Related Party Disclosures :

As per IND AS 24, the disclosure of transactions with the related parties are given below:

- i) List of related parties where control exists and related parties with whom transactions have taken place and relationship:

Name of Related Party	Relationship
Shri Umesh Chander Garg	Key Managerial Personnel
Shri Subhash Chander Garg	
Shri Jatinder Singh	
Shri Vipin Gupta	
Shri Vishav Sethi	
Shri Dalbir Singh	Independent Directors
Shri Avtar Singh Bajwa	
Shri Surinder Kumar Gupta	
Shri Swatantar Kumar Dewan	
MS Suhasini Yadav	
Sirmour Hotels (P) Ltd.	Enterprises in which Key Managerial Personnel holds directorship
Jasmer Foods (P) Ltd.	
RPL Employees Gratuity Fund	Post Employment Benefits Plans
Ruchira Charitable Trust	Enterprises over which Key Management Personnel (KMP) is able to exercise significant influence or control
Ruchira Packaging Products (P) Ltd.	Enterprises of Relatives of Key Managerial Personnel
Ruchira Printing & Packaging.	
Jasmer Pack Ltd.	
Jasmer Packer	
Well Pack Industries	
York Cellulose (P) Ltd.	
Smt. Parveen Garg	Relatives of Key Managerial Personnel holding office or place of profit.
Sh. Deepan Garg	
Sh. Jagdeep Singh	
Sh. Dajeet Singh Mandhan	
Sh. Lucky Garg	
Smt. Ruchica G Kumar	
Sh. Atul Garg	
Ms. Radhika Garg	



## Notes to Financial Statements for the period ended 31st March 2020

- ii a) Transactions during the Period ended 31st March 2020 with related parties:  
(Excluding reimbursements)

₹ in Lakhs

Particulars	Sales of finished goods		Purchase of raw / packing material		Interest received for delayed on payments		Closing Balance	
	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19	2019-20	2018-19
Ruchira Packaging Products (P) Ltd.	2009.50	265.83	265.83	265.83	3.11	3.11	113.78	113.78
	<i>2065.22</i>	<i>248.17</i>	<i>248.17</i>	<i>248.17</i>	<i>10.88</i>	<i>10.88</i>	<i>87.34</i>	<i>87.34</i>
Ruchira Printing & Packaging.	72.23	173.50	173.50	173.50	-	-	13.51	13.51
	<i>68.09</i>	<i>193.74</i>	<i>193.74</i>	<i>193.74</i>	-	-	<i>2.02</i>	<i>2.02</i>
Jasmer Pack Ltd.	3127.10	226.65	226.65	226.65	36.70	36.70	669.9	669.9
	<i>3559.55</i>	<i>253.87</i>	<i>253.87</i>	<i>253.87</i>	<i>35.71</i>	<i>35.71</i>	<i>439.98</i>	<i>439.98</i>
Jasmer Packer	434.70	20.31	20.31	20.31	4.53	4.53	-	-
	<i>935.15</i>	<i>35.38</i>	<i>35.38</i>	<i>35.38</i>	<i>17.71</i>	<i>17.71</i>	<i>180.15</i>	<i>180.15</i>
Well Pack Industries	499.53	151.16	151.16	151.16	23.91	23.91	326.53	326.53
	<i>447.39</i>	<i>167.19</i>	<i>167.19</i>	<i>167.19</i>	<i>4.87</i>	<i>4.87</i>	<i>250.64</i>	<i>250.64</i>
Jasmer Foods Pvt Ltd.	-	-	-	-	-	-	-	-
	-	<i>50.15</i>	<i>50.15</i>	<i>50.15</i>	-	-	<i>24.91</i>	<i>24.91</i>
York Cellulose Pvt. Ltd.	-	5.36	5.36	5.36	-	-	2.40	2.40
	-	<i>5.13</i>	<i>5.13</i>	<i>5.13</i>	-	-	<i>1.31</i>	<i>1.31</i>

Note :Figures in italic represents previous year's amount.

- ii b) Transactions with Key Managerial Personnel:

₹ in Lakhs

Particulars	Salary and Allowances		Reimbursements	
	2019-20	2018-19	2019-20	2018-19
Shri Umesh Chander Garg	230.40	230.40	9.84	18.74
Shri Subhash Chander Garg	230.40	230.40	11.22	41.05
Shri Jatinder Singh	230.40	230.40	22.84	26.67
Shri Vipin Gupta	55.43	48.53	1.45	1.58
Shri Vishav Sethi	14.90	12.87	0.40	0.44

- ii c) Transactions with the Relatives of Key Managerial Personnel holding office or place of profit.

₹ in Lakhs

Particulars	Salary and Allowances		Reimbursements	
	2019-20	2018-19	2019-20	2018-19
Smt. Parveen Garg	55.20	55.20	2.01	19.01
Sh. Deepan Garg	55.20	55.20	2.43	7.69
Sh. Jagdeep Singh	55.20	55.20	17.78	18.70
Sh. Dajeet Singh Mandhan	55.20	55.20	1.99	4.57
Sh. Lucky Garg	55.20	55.20	1.17	0.21
Sh. Atul Garg	55.20	55.20	5.28	2.71
Smt Ruchica G Kumar	55.20	55.20	2.77	2.90
Ms. Radhika Garg	55.20	55.20	0.48	12.81

- ii d) Transactions with Independent Directors.

₹ in Lakhs

Particulars	Sitting Fees		Reimbursements	
	2019-20	2018-19	2019-20	2018-19
Shri Dalbir Singh	1.00	1.00	-	-
Shri Avtar Singh Bajwa	1.00	1.00	0.02	0.03
Shri Surinder Kumar Gupta	1.00	1.00	0.02	0.04
Shri Swatantar Kumar Dewan	1.00	1.00	0.02	0.03
Ms. Suhasini Yadav	1.00	1.00	-	-

## Notes to Financial Statements for the period ended 31st March 2020

### 29 Segment Information

#### Primary segment information:

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

#### Secondary segment information:

(Amount in ₹)		
Particulars	2019-20	2018-19
<b>Segment Revenue</b>		
India	4740147941	4818942803
Overseas	84388285	128964378
<b>TOTAL</b>	<b>4824536226</b>	<b>4947907181</b>

### 30 Contingent Liabilities and Commitments

(Amount in ₹)		
Particulars	As at 31st March 2020	As at 31st March 2019
<b>Contingent Liabilities</b>		
(A) Claims against the Company/disputed liabilities not acknowledged as debts		
In respect of Excise Duty demand raised, which in the opinion of the Management are not tenable and are under appeal at Custom, Excise & Service Tax Appellate Tribunal, New Delhi.	Nil	Nil
(B) Guarantees		
Outstanding guarantees furnished to various banks in respect of the guarantees given by those banks in favour of various government authorities and others including Letters of Credits	12999076	20524483
<b>Commitments</b>		
(A) Estimated amount of contracts remains to be executed on capital account (Net of advances)	-	-

**31** The accelerated outbreak of Coronavirus (Covid-19) across the globe and in India, has substantially disrupted the economic activities with high uncertainty. On 11th March 2020, the Covid-19 outbreak was declared a global pandemic by the World Health Organization (WHO). Consequent to this, Government of India declared lockdown on 24th March 2020, which was further extended from time to time. In line with Government directive, the Company had temporarily shut down its manufacturing operations since 23rd March 2020, impacting sales and profit of the Company. Operations of the company has gradually started resuming during April and May 2020. Since the resumption of normal business operations are also dependent on future directives from the Government including future implications of the pandemic on the people and economy, the forthcoming situation is not known as of now and will be closely monitored by the Company to assess for any material implication.

**The previous year figures have been regrouped/reclassified, wherever necessary  
to confirm to the current year presentation.**



## NOTICE

NOTICE is hereby given that the 40th ANNUAL GENERAL MEETING of Members of RUCHIRA PAPERS LIMITED will be held on Friday, 25th September 2020 at 12.00 PM through Video Conferencing (VC)/ Other Audio Visual means (OAVM) to transact the following business:

### Ordinary Business:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March 2020 together with the reports of Board of Directors and Independent Auditors thereon.
2. To appoint a Director in place of Mr. Jatinder Singh (DIN:01594919), who retires by rotation and, being eligible, offers himself for re-appointment.

### Special Business:

3. To ratify the remuneration of Cost Auditors for the financial year ending 31st March 2021 and in this regard, to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (Including any statutory modification(s) or re-enactment thereof, for the time being in force), the consent of the shareholders be and is hereby accorded for ratification of remuneration of ₹70,000/- (₹ Seventy Thousand Only) plus applicable taxes and out of pocket expenses payable to M/S Sanjay Kumar Garg & Associates, Cost Accountants, re-appointed as Cost Auditors by the Board of Directors of the Company, to conduct the audit of the cost records maintained by the Company for the financial year ending 31st March 2021."

4. To approve the re-appointment and remuneration of Mr. Subhash Chander Garg as Whole Time Director and in this regard, to consider and, if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to provisions of Sections 196,197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as "the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant provisions of Articles of Association of the Company, Regulation 17(6)(e) and other applicable Regulations, if any, of the

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to the recommendation of the Nomination and Remuneration Committee and Audit Committee, consent of the members be and is hereby accorded to the re-appointment of Mr. Subhash Chander Garg (DIN: 01593104), who has attained the age of 70 years, as Whole Time Director of the Company, for a period of 5 (five) years commencing from 01st September 2020 till 31st August 2025, with his period of office shall be liable to determination by retirement of rotation.

**RESOLVED FURTHER THAT** consent of the members be and is hereby accorded for the payment of remuneration to Mr. Subhash Chander Garg for the period of 3 (Three) years with effect from 01st June 2020 to 31st May 2023, on such terms and conditions including remuneration, in case of absence of profits or if the Company has inadequate profits, as stated below:

- Basic Salary: ₹16,00,000/- (₹ Sixteen Lakh Only) per month.
- House Rent Allowance @ 20% of the Basic Salary.
- Reimbursement of Medical expenses incurred in India or abroad for himself and family subject to ceiling of ₹1,00,000/- in a Year.
- Club membership Fees not exceeding ₹20,000/- in a year.
- Car, Telephone, Cell Phone, PC/Laptop shall be provided and their maintenance and running expenses shall be met by the Company for official purpose only.
- Reimbursement of actual traveling, boarding and lodging expenses and other amenities as may be incurred by him from time to time, in connection with the Company's business.

In addition to the above remuneration, he shall also be entitled to the following benefits which shall not be counted for the purpose of Ceiling as per Section II of Part II of Schedule V.

- Employees' Provident Fund: Company's Contribution towards Employees' Provident Fund as per the Employees' Provident Fund Act.
- Gratuity: Payable at a rate not exceeding half a month's salary for each completed year of service as per provisions of payment of Gratuity Act, 1972.



Notwithstanding anything contrary contained herein, the Company will pay above remuneration as "minimum remuneration" as per the limits specified in paragraph (A) as laid down under Section II of Part II of Schedule V to the Companies Act, 2013.

**RESOLVED FURTHER THAT** Board of Directors and/ or Nomination and Remuneration Committee is hereby further authorized to alter and vary the terms and conditions from time to time including designation subject to the applicable provisions of the Companies Act, 2013 and with in the overall limits approved by the Shareholders of the Company.

**RESOLVED FURTHER THAT** any one of the Directors of the Company and/or Company Secretary be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to this resolution."

5. To approve the re-appointment and remuneration of Mr. Jatinder Singh as Whole Time Director and in this regard, to consider and, if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to provisions of Sections 196,197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as "the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant provisions of Articles of Association of the Company, Regulation 17(6)(e) and other applicable Regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to the recommendation of the Nomination and Remuneration Committee and Audit Committee, consent of the members be and is hereby accorded to the re-appointment of Mr. Jatinder Singh (DIN: 01594919), as Whole Time Director of the Company, for a period of 5 (five) years commencing from 01st September 2020 till 31st August 2025, with his period of office shall be liable to determination by retirement of rotation.

**RESOLVED FURTHER THAT** consent of the members be and is hereby accorded for the payment of remuneration to Mr. Jatinder Singh for the period of 3 (Three) years with effect from 01st June 2020 to 31st May 2023, on such terms and conditions including remuneration, in case of absence of profits or if the Company has inadequate profits, as stated below:

- Basic Salary: ₹16,00,000/- (₹ Sixteen Lakh Only) per month.

- House Rent Allowance @ 20% of the Basic Salary.
- Reimbursement of Medical expenses incurred in India or abroad for himself and family subject to ceiling of ₹1,00,000/- in a Year.
- Club membership Fees not exceeding ₹20,000/- in a year.
- Car, Telephone, Cell Phone, PC/Laptop shall be provided and their maintenance and running expenses shall be met by the Company for official purpose only.
- Reimbursement of actual traveling, boarding and lodging expenses and other amenities as may be incurred by him from time to time, in connection with the Company's business.

In addition to the above remuneration, he shall also be entitled to the following benefits which shall not be counted for the purpose of Ceiling as per Section II of Part II of Schedule V.

- Employees' Provident Fund: Company's Contribution towards Employees' Provident Fund as per the Employees' Provident Fund Act.
- Gratuity: Payable at a rate not exceeding half a month's salary for each completed year of service as per provisions of payment of Gratuity Act, 1972.

Notwithstanding anything contrary contained herein, the Company will pay above remuneration as "minimum remuneration" as per the limits specified in paragraph (A) as laid down under Section II of Part II of Schedule V to the Companies Act, 2013.

**RESOLVED FURTHER THAT** Board of Directors and/ or Nomination and Remuneration Committee is hereby further authorized to alter and vary the terms and conditions from time to time including designation subject to the applicable provisions of the Companies Act, 2013 and with in the overall limits approved by the Shareholders of the Company.

**RESOLVED FURTHER THAT** any one of the Directors of the Company and/or Company Secretary be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to this resolution."

6. To approve the re-appointment and remuneration of Mr. Umesh Chander Garg as Managing Director and in this regard, to consider and, if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to provisions of Sections 196,197, 198 and 203 read with Schedule V and all other applicable provisions, if any, of the Companies



Act, 2013 (hereinafter referred to as "the Act") and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the relevant provisions of Articles of Association of the Company, Regulation 17(6)(e) and other applicable Regulations, if any, of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, pursuant to the recommendation of the Nomination and Remuneration Committee and Audit Committee, consent of the members be and is hereby accorded to the re-appointment of Mr. Umesh Chander Garg (DIN: 01593400), who has attained the age of 70 years, as Managing Director of the Company, for a period of 5 (five) years commencing from 01st September 2020 till 31st August 2025, with his period of office shall be liable to determination by retirement of rotation.

**RESOLVED FURTHER THAT** consent of the members be and is hereby accorded for the payment of remuneration to Mr. Umesh Chander Garg for the period of 3 (Three) years with effect from 01st June 2020 to 31st May 2023, on such terms and conditions including remuneration, in case of absence of profits or if the Company has inadequate profits, as stated below:

- Basic Salary: ₹16,00,000/- (₹ Sixteen Lakh Only) per month.
- House Rent Allowance @ 20% of the Basic Salary.
- Reimbursement of Medical expenses incurred in India or abroad for himself and family subject to ceiling of ₹1,00,000/- in a Year.
- Club membership Fees not exceeding ₹20,000/- in a year.
- Car, Telephone, Cell Phone, PC/Laptop shall be provided and their maintenance and running expenses shall be met by the Company for official purpose only.
- Reimbursement of actual traveling, boarding and lodging expenses and other amenities as may be incurred by him from time to time, in connection with the Company's business.

In addition to the above remuneration, he shall also be entitled to the following benefits which shall not be counted for the purpose of Ceiling as per Section II of Part II of Schedule V.

- Employees' Provident Fund: Company's Contribution towards Employees' Provident Fund as per the Employees' Provident Fund Act.

- Gratuity: Payable at a rate not exceeding half a month's salary for each completed year of service as per provisions of payment of Gratuity Act, 1972.

Notwithstanding anything contrary contained herein, the Company will pay above remuneration as "minimum remuneration" as per the limits specified in paragraph (A) as laid down under Section II of Part II of Schedule V to the Companies Act, 2013.

**RESOLVED FURTHER THAT** Board of Directors and/ or Nomination and Remuneration Committee is hereby further authorized to alter and vary the terms and conditions from time to time including designation subject to the applicable provisions of the Companies Act, 2013 and with in the overall limits approved by the Shareholders of the Company.

**RESOLVED FURTHER THAT** any one of the Directors of the Company and/or Company Secretary be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to this resolution."

7. To fix the managerial remuneration of Mr. Vipin Gupta, CFO & Executive Director and in this regard, to consider and, if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 197 read with Part I and Section II of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013, applicable clauses of the Articles of Association of the Company, pursuant to recommendation of the Audit Committee and Nomination & Remuneration Committee, and subject to other requisite approvals, if any, the consent of the members be and is hereby accorded to fix the managerial remuneration of Mr. Vipin Gupta, CFO & Executive Director of the Company, w.e.f 1st June 2020 for the period of One Year i.e up to 31st May 2021 on such terms and conditions including remuneration, in case of absence of profits or if the Company has inadequate profits, as stated below:

- Basic Pay: ₹4,10,000/- P.M (₹ Four Lakh and Ten Thousand Only)
- HRA @ 15% per month of the Basic Pay.
- Telephone: Mobile/Telephone facility as per Company's rules.
- Leave encashment as per Company's rules.
- Conveyance: Company's Car with Driver for Official Use.

- Reimbursement of expenses incurred for the business of the Company as per Company's rules.

In addition to the above remuneration, he shall also be entitled to the following benefits which shall not be counted for the purpose of Ceiling as per Section II of Part II of Schedule V.

- Employees' Provident Fund: Company's Contribution towards Employees' Provident Fund as per the Employees' Provident Fund Act.
- Gratuity: Payable at a rate not exceeding half a month's salary for each completed year of service as per provisions of payment of Gratuity Act, 1972.

Notwithstanding anything contrary contained herein, the Company will pay above remuneration as "minimum remuneration" as per the limits specified in paragraph (A) as laid down under Section II of Part II of Schedule V to the Companies Act, 2013.

**RESOLVED FURTHER THAT** Board of Directors and/or Nomination & Remuneration Committee is hereby

further authorized to alter and vary the terms and conditions from time to time including designation subject to the applicable provisions of the Companies Act, 2013 and within the overall limits approved by the Shareholders of the Company.

**RESOLVED FURTHER THAT** any one of the Directors of the Company and/or Company Secretary be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to this resolution."

Place: Kala-Amb (HP)

By order of the Board

Date: 25th August 2020

**For Ruchira Papers Limited**

**Registered Office:**

**Vishav Sethi**

Tirlokpur Road, Kala Amb

Company Secretary

Distt: Sirmaur, H.P-173030

CIN: L21012HP1980PLC004336

Website: www.ruchirapapers.com

#### Notes:-

1. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ('MCA') has vide its circular dated 5 May 2020 read with circulars dated 8 April 2020 and 13 April 2020 (collectively referred to as 'MCA Circulars') and SEBI circular dated 12 May 2020 permitted the holding of the Annual General Meeting ('AGM') through VC/OAVM facility, without the physical presence of the members at a common venue. In compliance with the provisions of the Companies Act, 2013 (the 'Act'), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') and MCA Circulars, the AGM of the Company is being conducted through VC/OAVM.
2. THE EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act"), RELATING TO THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING IS ANNEXED HERETO.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 19th September 2020 to Friday, 25th September 2020 (both days inclusive).
4. The deemed venue for 40th AGM shall be the registered office of the Company.
5. Pursuant to the provisions of the Act, a member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM facility, physical attendance of members has been dispensed with. Accordingly, the facility for appointment of proxies by the members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
6. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG format) of its Board or governing body Resolution/Authorization etc., authorizing its representative to attend the AGM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail through their registered e-mail address to sanjay\_garg2001@yahoo.com with a copy marked to company at cs@ruchirapapers.com.
7. Mr. Sanjay Kumar Garg of M/S Sanjay Kumar Garg & Co, Cost Accountants, who has consented to act as the scrutinizer and is available for the purpose of ascertaining the requisite majority, has been appointed as the scrutinizer to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.
8. Brief details of the directors, who are seeking appointment/re-appointment, are annexed hereto as per requirements of regulation 36(3) of the Listing



Regulations and as per provisions of the Act.

9. The facility of joining the AGM through VC/OAVM will be opened 15 minutes before and will remain open upto 15 minutes after the scheduled start time of the AGM, i.e. from 12.00 noon to 12.15 pm and will be available for 1,000 members on a first-come first-served basis. This rule would however not apply to participation of shareholders holding 2% or more shareholding, promoters, institutional investors, directors, key and senior managerial personnel, auditors etc.
10. Institutional Investors, who are members of the Company are encouraged to attend and vote at the 40th AGM of the Company.
11. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
12. SEBI has mandated the submission of Permanent Account Number (PAN) by every person dealing in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or Linkintime.
13. The Notice of the Annual General Meeting along with the Annual Report for the financial year 2019-20 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/Depositories in accordance with the aforesaid MCA Circulars and circular issued by SEBI dated May 12, 2020. Members may note that the Notice of Annual General Meeting and Annual Report for the financial year 2019-20 will also be available on the Company's website [www.ruchirapapers.com](http://www.ruchirapapers.com); websites of the Stock Exchanges i.e. National Stock Exchange of India Ltd and BSE Limited at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) respectively. Members can attend and participate in the Annual General Meeting through VC/OAVM facility only.
14. In case the shareholder's email ID is already registered with the Company/its Registrar & Share Transfer Agent "RTA"/Depositories, log in details for e-voting are being sent on the registered email address.

In case the shareholder has not registered his/her/their email addresses with the Company/its RTA/Depositories and or not updated the Bank Account mandate for receipt of dividend, the following

instructions to be followed:

- (i) Kindly log in to the website of our RTA, Link Intime India Private Ltd., [www.linkintime.co.in](http://www.linkintime.co.in) under Investor Services > Email/Bank detail Registration- fill in the details and upload the required documents and submit. OR
  - (ii) In the case of Shares held in Demat mode:  
The shareholder may please contact the Depository Participant ("DP") and register the email address and bank account details in the demat account as per the process followed and advised by the DP.
15. SEBI vide its notification dated 8 June 2018 as amended on 30 November 2018, has stipulated that w.e.f. 1 April 2019, the transfer of securities (except transmission or transposition of shares) shall not be processed, unless the securities are held in the dematerialized form. The Company has complied with the necessary requirements as applicable, including sending of letters to shareholders holding shares in physical form and requesting them to demat their physical holdings.
  16. To comply with the above mandate, members who still hold share certificates in physical form are advised to dematerialize their shareholding to also avail of numerous benefits of dematerialization, which include easy liquidity, ease of trading and transfer, savings in stamp duty and elimination of any possibility of loss of documents and bad deliveries.
  17. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
  18. The statutory documents of the Company and/or the documents referred to in this Notice shall be available for inspection by the members from the date of circulation of this Notice up to the date of AGM. Members seeking to inspect can send an email at [cs@ruchirapapers.com](mailto:cs@ruchirapapers.com).
  19. For ease of conduct, members who would like to ask questions/express their views on the items of the businesses to be transacted at the meeting can send in their questions/comments in advance at [cs@ruchirapapers.com](mailto:cs@ruchirapapers.com) up to 23rd September 2020 mentioning their name, demat account no./Folio no., e-mail Id, mobile number etc. The queries may be raised precisely and in brief to enable the Company to answer the same suitably depending on the availability of time at the meeting.

20. Pursuant to section 72 of the Act, members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 (a copy of which is available on the website of the Company) with the Company's share transfer agent. In respect of shares held in electronic/demat form, the members may please contact their respective depository participant.
21. Pursuant to provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded details of unpaid and unclaimed amounts lying as on 25.09.2019 (date of last Annual General Meeting) on website of the Company, as also with Ministry of Corporate Affairs.

Furthermore, in terms of Section 124(6) of the Companies Act, 2013, shares on which dividend remains unpaid or unclaimed for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA). Upon transfer of such shares, all benefits, if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. The details of unpaid dividend(s) along with its due dates for transfer to IEPFA is provided under the Corporate Governance report annexed with the Annual Report.

The unclaimed interim dividend amount for the year ended 31st March 2013, has already been transferred to Investor Education and Protection Fund on dated 15.05.2020.

22. For more details on shareholders' matters, please refer to the chapter on General Shareholder Information, included in the Annual Report.
23. Since the meeting will be conducted through VC/OAVM facility, the Route Map is not annexed in this Notice.
24. E-voting: In compliance with the provisions of section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the Listing Regulations, the Company is pleased to provide members facility to exercise their right to vote by electronic means and the business may be transacted through e-voting services provided by the Link Intime India Private Limited (LIPL).

The facility for e-voting shall also be made available at the AGM and the members attending the meeting and who have not cast their vote by remote e-voting shall be able to exercise their rights at the meeting through e-voting.

The voting period begins on Tuesday, 22nd September

2020 (9.00 a.m) and ends on Thursday, 24th September 2020 (5.00 p.m). During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the close of working hours on Friday, 18th September 2020 ('Cut-off date') may cast their vote electronically. The e-voting module shall be disabled by LIPL for voting thereafter. Instructions for e-voting and joining the Annual General Meeting are as follows:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>

**Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:**

- Click on "Sign Up" under 'SHARE HOLDER' tab and register with your following details: -
- A. User ID:** Enter your User ID
    - Shareholders/ members holding shares in **CDSL demat account shall provide 16 Digit Beneficiary ID**
    - Shareholders/ members holding shares in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
    - Shareholders/ members holding shares in **physical form shall provide** Event No + Folio Number registered with the Company
  - B. PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.
  - C. DOB/DOI:** Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)
  - D. Bank Account Number:** Enter your Bank Account Number (last four digits), as recorded with your DP/Company.
    - Shareholders/ members holding shares in **CDSL demat account shall provide either 'C' or 'D', above**
    - Shareholders/ members holding shares in **NSDL demat account shall provide 'D', above**
    - Shareholders/ members holding shares in **physical form** but have not recorded 'C' and 'D', shall provide their Folio number in 'D' above
    - Set the password of your choice (The password should contain minimum 8



characters, at least one special Character (@!#\$%^\*), at least one numeral, at least one alphabet and at least one capital letter).

- Click “confirm” (Your password is now generated).

NOTE: If Shareholders/ members are holding shares in demat form and have registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/ or voted on an earlier event of any company then they can use their existing password to login.

2. Click on 'Login' under '**SHARE HOLDER**' tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.
4. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).
7. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on 'No' and accordingly modify your vote.
8. Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

#### If you have forgotten the password:

- Click on '**Login**' under '**SHARE HOLDER**' tab and further Click 'forgot password?'
- Enter **User ID**, select **Mode** and Enter Image Verification (CAPTCHA) Code and Click on '**Submit**'.
- In case shareholders/ members is having valid email address, Password will be sent to his / her registered e-mail address.
- Shareholders/ members can set the password of his/

her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above.

- The password should contain minimum 8 characters, at least one special character (@!#\$%^\*), at least one numeral, at least one alphabet and at least one capital letter.
- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

For shareholders/ members holding shares in physical form, the details can be used only for voting on the resolutions contained in the Notice.

During the voting period, shareholders/ members can login any number of time till they have voted on the resolution(s) for a particular “Event”.

Shareholders/ members holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.

In case shareholders/ members have any queries regarding e-voting, they may refer the **Frequently Asked Questions ('FAQs')** and **InstaVote e-Voting manual** available at <https://instavote.linkintime.co.in>, under **Help** section or send an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or contact on: - Tel: 022 -4918 6000.

#### Process and manner for attending the Annual General Meeting through InstaMeet:

1. Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
  - Select the “**Company**” and '**Event Date**' and register with your following details: -
- A. **Demat Account No. or Folio No:** Enter your 16 digit Demat Account No. or Folio No
  - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID
  - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID
  - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company
- B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use

the sequence number provided to you, if applicable.

- C. Mobile No.:** Enter your mobile number.
- D. Email ID:** Enter your email id, as recorded with your DP/Company.
- Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Please refer the instructions (annexure) for the software requirements and kindly ensure to install the same on the device which would be used to attend the meeting. Please read the instructions carefully and participate in the meeting. You may also call upon the InstaMeet Support Desk for any support on the dedicated number provided to you in the instruction/ InstaMEET website.

**Instructions for Shareholders/ Members to Speak during the Annual General Meeting through InstaMeet:**

- Shareholders who would like to speak during the meeting must register their request 3 days in advance with the company on the [cs@ruchirapapers.com](mailto:cs@ruchirapapers.com)
- Shareholders will get confirmation on first cum first basis depending upon the provision made by the client.
- Shareholders will receive "speaking serial number" once they mark attendance for the meeting.
- Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
- Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

**Shareholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.**

**Instructions for Shareholders/ Members to Vote during the Annual General Meeting through InstaMeet:**

Once the electronic voting is activated by the scrutinizer/ moderator during the meeting, shareholders/ members who have not exercised their vote through the remote e-voting can cast the vote as under:

- On the Shareholders VC page, click on the link for e-Voting "Cast your vote"
- Enter your 16 digit Demat Account No. / Folio No.

and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.

- After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
- Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
- After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
- Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

Note: Shareholders/ Members, who will be present in the Annual General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Shareholders/ Members who have voted through Remote e-Voting prior to the Annual General Meeting will be eligible to attend/ participate in the Annual General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Shareholders/ Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Shareholders/ Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Shareholders/Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.

In case shareholders/ members have any queries regarding login/ e-voting, they may send an email to [instameet@linkintime.co.in](mailto:instameet@linkintime.co.in) or contact on: - Tel: 022-49186175.



## Annexure to the Notice

### Explanatory Statement Pursuant to Section 102(1) of the Companies Act, 2013.

#### Item No. 3:

The Board on the recommendation of the Audit Committee has approved the re-appointment and remuneration of M/S Sanjay Kumar Garg & Associates as Cost Auditors to conduct the audit of the Cost records of the Company for the financial year ending 31st March 2021.

In accordance with the provisions of section 148 of the Act read with the Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, ratification by the members is sought for the remuneration payable to the Cost Auditors for the financial year ending 31st March 2021 by passing an Ordinary Resolution as set out at Item No. 3 of the Notice.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at Item No. 3 of the notice.

The Board recommends the passing of Ordinary Resolution set out at Item No. 3 of the notice for approval by the Members.

#### Item No. 04, 05 & 06:

Mr. Subhash Chander Garg, Whole Time Director, Mr. Jatinder Singh, Whole Time Director and Mr. Umesh Chander Garg, Managing Director were re-appointed for the period of five years from 01st September 2015 to 31st August 2020 at the AGM held on 25th September 2015. Their remuneration was approved for the period of 3 (three) years w.e.f 01st September 2015, with further variations in the AGM held 21st September 2017 w.e.f 01st June 2017 to 31st May 2020. Considering the vast experience and deep knowledge of the business in which the Company operates and also contribution made by them towards growth of the Company, the Board of Directors at its meeting held on 30th May 2020, on the recommendation of the Audit Committee and Nomination & Remuneration Committee approved the re-appointment of Mr. Subhash Chander Garg as Whole Time Director, Mr. Jatinder Singh as Whole Time Director and Mr. Umesh Chander Garg as Managing Director for the further period of Five years w.e.f 01st September 2020 to 31st August 2025, subject to approval of the shareholders.

Further the Board of Directors at its meeting held on 30th May 2020 on the recommendation of Nomination and Remuneration Committee and Audit Committee has approved the remuneration payable to them for the period

of three years i.e w.e.f 01st June 2020 to 31st May 2023 at the same level. (This period of three years includes three months period i.e from 01st June 2020 to 31st August 2020 of their current tenure). The detail of remuneration payable is mentioned in the respective resolutions itself.

Brief particulars pursuant to Regulation 36(3) of the Listing Regulations and additional information to be given to Members in terms of Secretarial Standards on General Meetings (SS-2), of Mr. Subhash Chander Garg, Mr. Jatinder Singh and Mr. Umesh Chander Garg is given in Annexure to the AGM Notice.

As per the proviso to Section 102(2) of the Companies Act, 2013, it is clarified that the proposed Resolution does not relate to or affect any other Company.

Information required to be disclosed under the Second Proviso to Section II(B), Part II of Schedule V of the Companies Act, 2013 is as follows:

- (i) the proposed remuneration has been approved by Nomination and Remuneration Committee and the Board;
- (ii) the Company has not defaulted in repaying any of its debts or interest payable for a continuous period of thirty days in the preceding financial year before the date of revision/re-appointment;
- (iii) a Special Resolution is being passed at the forthcoming Annual General Meeting for payment of the remuneration for a period not exceeding Three years;
- (iv) a statement containing further information is set out in the Annexure to the Notice.

Justification for re-appointment after attaining age of 70 years:

Mr. Subhash Chander Garg, aged 78 years, is Law graduate and has expertise in field of taxation and marketing. He is one of the Promoters of Ruchira Papers Limited. He has been looking after the Taxation, Marketing and Sales functions of Ruchira Papers Limited since its inception and has acquired rich marketing experience.

Mr. Umesh Chander Garg, aged 71 years is a Graduate and has been associated with Ruchira Papers Limited right from the conceptual stage. He is controlling day-to-day affairs of the Company as the Managing Director. He has been the key man in the selection of various machineries and all



expansion projects were executed under his guidance. He has been looking after the Production, Maintenance and Technical aspects of the company.

Considering the vast experience, they would be undoubtedly an asset for the organization in future also.

Save and except Mr. Subhash Chander Garg, Mr. Jatinder Singh and Mr. Umesh Chander Garg and their relatives who are concerned/interested in their respective resolutions, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the Resolution(s).

Pursuant to the provisions of Sections 196, 197, 198, 203 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013, the Board recommends the re-appointment of Sh. Subhash Chander Garg as Whole Time Director, Sh. Jatinder Singh as Whole Time Director and Sh. Umesh Chander Garg as Managing Director of the Company for the period of 5(Five) years w.e.f 01st September 2020 to 31st August 2025 and approval of their remuneration for the period of 3(Three) years w.e.f 01st June 2020 to 31st May 2023.

The Board recommends Special Resolution set forth at Item No. 4, 5 and 6 of the notice for approval by the members.

### Item No. 7:

Mr. Vipin Gupta was re-appointed as Whole Time Director of the Company at the Annual General Meeting of the Company held on 30th September 2016, for the period of five years w.e.f 01st November 2016. He was also appointed as Chief Financial Officer of the Company by the Board on dated 28.05.2014. He is presently designated as CFO & Executive Director of the Company. The Remuneration payable to Mr. Vipin Gupta is decided annually.

The Board of Directors of the Company at its meeting held on 30th May 2020, on the recommendation of Nomination and Remuneration Committee and Audit Committee fixed the remuneration payable to Mr. Vipin Gupta for the period of One Year effective from 01st June 2020 at the same level of previous year, subject to approval of the shareholders. The detail of remuneration is mentioned in the resolution itself.

Brief particulars pursuant to Regulation 36(3) of the Listing Regulations and additional information to be given to

Members in terms of Secretarial Standards on General Meetings (SS-2), of Mr. Vipin Gupta is given in Annexure to the AGM Notice.

As per the proviso to Section 102(2) of the Companies Act, 2013, it is clarified that the proposed Resolution does not relate to or affect any other Company.

Information required to be disclosed under the Second Proviso to Section II(B), Part II of Schedule V of the Companies Act, 2013 is as follows:

- (i) the proposed remuneration has been approved by Nomination and Remuneration Committee and the Board;
- (ii) the Company has not defaulted in repaying any of its debts or interest payable for a continuous period of thirty days in the preceding financial year before the date of revision/re-appointment;
- (iii) a Special Resolution is being passed at the forthcoming Annual General Meeting for payment of the remuneration for a period not exceeding One year;
- (iv) a statement containing further information is set out in the Annexure to the Notice.

Mr. Vipin Gupta is concerned and interested in the resolution no. 7. The relatives of Mr. Vipin Gupta may be deemed to be interested in the resolution set out at Item No. 7 of the Notice, to the extent of their shareholding Interest, if any in the Company.

Save and except the above, none of the other Directors and the Key Managerial Personnel of the Company and their respective relatives are, in any way, concerned or interested in the passing of the above resolution.

The Board recommends Special Resolution set forth at Item No. 7 of the notice for approval by the members.

Place: Kala-Amb (HP)  
Date: 25th August 2020

By order of the Board  
**For Ruchira Papers Limited**

### Registered Office:

Tirlokpur Road, Kala Amb  
Distt: Sirmaur, H.P-173030  
CIN: L21012HP1980PLC004336  
Website: www.ruchirapapers.com

**Vishav Sethi**  
Company Secretary



**INFORMATION PURSUANT TO SS-2 OF SECRETARIAL STANDARDS ON GENERAL MEETING AND REGULATION 36(3) OF THE LISTING REGULATIONS REGARDING APPOINTMENT OR RE-APPOINTMENT OF THE DIRECTORS AND/OR FIXATION OF REMUNERATION AT THE FORTHCOMING ANNUAL GENERAL MEETING.**

<b>Name of Director</b>	<b>Mr. Subhash Chander Garg</b>	<b>Mr. Jatinder Singh</b>
Director Identification Number	01593104	01594919
Category	Executive, Promoter	Executive, Promoter
Nationality	Indian	Indian
Date of Birth	02.06.1942	19.10.1954
Date of re-appointment/first appointment	01.09.2020	01.09.2020
Brief Profile and Expertise in Specific functional area	<p>Mr. Subhash Chander Garg, aged 78 years, is Law graduate and has expertise in the field of taxation and marketing. He is one of the Promoters of Ruchira Papers Limited and has been looking after the affairs of the company as a Whole Time Director.</p> <p>He has been looking after the Taxation, Marketing and Sales functions of Ruchira Papers Limited since its inception and has acquired rich marketing experience.</p>	<p>Mr. Jatinder Singh, aged 66 years, is an Engineering Graduate from Punjab University. He is one of the Promoters of Ruchira Papers Limited and has been looking after the affairs of the company as a Whole Time Director.</p> <p>Over the years, he has acquired deep insight into the working of Paper Industry. He has been looking after the Finance, Administration and Raw Material Procurement of the company.</p>
Chairman/ Member of committees of the Board of Companies of which he is a director	<p>Ruchira Papers Limited:</p> <p>Member: Stakeholders Relationship Committee &amp; Corporate Social Responsibility Committee.</p>	<p>Ruchira Papers Limited.</p> <p>Member: Audit Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Allotment Committee.</p>
Shareholding as on 31.03.2020	936170 Equity Shares.	2444090 Equity Shares
Last Remuneration Drawn (Including sitting fees, if any) paid as on 31.03.2020.	₹16.00 Lakh p.m. Plus 20% (HRA) plus other benefits as approved by Shareholders vide Special Resolution dated 21.09.2017. (For remuneration details, please refer Corporate Governance Report).	₹16.00 Lakh p.m. Plus 20% (HRA) plus other benefits as approved by Shareholders vide Special Resolution dated 21.09.2017. (For remuneration details, please refer Corporate Governance Report).
Terms and Conditions of Appointment/Re-appointment	As set out in the resolution at Item No. 04 of the Notice of the AGM.	As set out in the resolution at Item No. 05 of the Notice of the AGM.
Relationship with other Directors/ KMP inter-se	Related to Mr. Umesh Chander Garg, Managing Director of the Company	Nil

Number of Meeting of Board attended during the year and other directorship etc.	Please refer "Report on Corporate Governance" forming part of this Annual Report.	Please refer "Report on Corporate Governance" forming part of this Annual Report.
<b>Name of Director</b>	<b>Mr. Umesh Chander Garg</b>	<b>Mr. Vipin Gupta</b>
Director Identification Number	01593400	05107366
Category	Executive, Promoter	Executive, Professional
Nationality	Indian	Indian
Date of Birth	08.04.1949	25.05.1969
Date of re-appointment	01.09.2020	01.11.2016
Brief Profile and Expertise in Specific functional area	<p>Mr. Umesh Chander Garg, aged 71 years is a Graduate and has been associated with Ruchira Papers Limited right from the conceptual stage. He is controlling day-to-day affairs of the Company as the Managing Director.</p> <p>He has been the key man in the selection of various machineries and all expansion projects were executed under his guidance. He has been looking after the Production, Maintenance and Technical aspects of the company.</p>	Mr. Vipin Gupta aged 51 years, presently designated as CFO & Executive Director and is heading the Finance & Accounts of the Company.
Chairman/ Member of committees of the Board of Companies of which he is a director	Ruchira Papers Limited: Member: Corporate Social Responsibility Committee.	Ruchira Papers Limited: Member: Corporate Social Responsibility Committee, Allotment Committee
Shareholding as on 31.03.2020	1470455 Equity Shares.	22742 Shares
Last Remuneration Drawn (Including sitting fees, if any) paid as on 31.03.2020	₹16.00 Lakh p.m. Plus 20% (HRA) plus other benefits as approved by Shareholders vide Special Resolution dated 21.09.2017. (For remuneration details, please refer Corporate Governance Report).	₹4.10 Lakh P.M Plus 15% (HRA) plus other benefits as approved by the Shareholders vide Special Resolution dated 25.09.2019.
Terms and Conditions of Appointment/Re-appointment	As set out in the resolution at Item No. 06 of the Notice of the AGM.	As set out in the resolution at Item No. 07 of the Notice of the AGM.
Relationship with other Directors/ KMP inter-se	Related to Mr. Subhash Chander Garg, Whole Time Director of the Company.	Nil
Number of Meeting of Board attended during the year and other directorship etc.	Please refer "Report on Corporate Governance" forming part of this Annual Report.	Please refer "Report on Corporate Governance" forming part of this Annual Report.



## STATEMENT PURSUANT TO PROVISION TO SCHEDULE V (PART II SECTION II (A) (CLAUSE IV)) OF THE COMPANIES ACT, 2013

### i. General Information

1.	Nature of Industry	Paper Industry: The Company is engaged in the manufacturing of Kraft Paper and Writing & Printing Paper. The company's white writing & printing paper is used in the fabrication of note books and writing material; the coloured paper is used in the fabrication of spiral notebooks, wedding cards, shade cards, children's colouring books, copier paper including coloured copier and bill books. Kraft Paper finds its application in the packaging Industry especially for making Corrugated Boxes / Cartons and for other packaging requirements.		
2.	Date of commencement of commercial production	The Company is engaged in production of Kraft Paper since 1983 and of Writing and Printing Paper since 2008.		
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable		
4.	Financial performance based on given indicators.	The Financial Results for the last three years are as follows:		
		<b>Particulars</b>	<b>2019-20 (₹ In Lakhs)</b>	<b>2018-19 (₹ In Lakhs)</b>
			<b>2017-18 (₹ In Lakhs)</b>	
		Sales	48101.40	49399.04
		PBT	2513.61	6241.93
		PAT	2737.42	4023.50
		Dividend proposed/Paid	Nil	22.5%
5.	Export Performance and Net Foreign Exchange Collection	During the year 2019-20, Foreign Exchange earnings were ₹1.15 Crore.		
6.	Foreign investments or collaborators, if any.	Nil		

### ii. INFORMATION ABOUT THE APPOINTEE/ EXISTING MANAGERIAL PERSONNEL TO WHOM INCREASED REMUNERATION IS PROPOSED:

	<b>Mr. Subhash Chander Garg, Whole Time Director.</b>	<b>Mr. Jatinder Singh, Whole Time Director</b>	<b>Mr. Umesh Chander Garg, Managing Director</b>	<b>Mr. Vipin Gupta, CFO &amp; Executive Director.</b>
1. Background Details	Mr. Subhash Chander Garg aged 78 years is 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.	Mr. Jatinder Singh aged 66 years is 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.	Mr. Umesh Chander Garg aged 71 years is Managing Director of the Company. He is looking after the production, maintenance, Plant erection and expansion programmes. He is associated with the Company since its inception as Promoter Director.	Mr. Vipin Gupta, aged 51 Years is working as professional Whole Time Director With the Company. He is heading the Finance and Accounts of the Company. He is associated with the Company for the past 31 Years.

		<b>Mr. Subhash Chander Garg, Whole Time Director.</b>	<b>Mr. Jatinder Singh, Whole Time Director</b>	<b>Mr. Umesh Chander Garg, Managing Director</b>	<b>Mr. Vipin Gupta, CFO &amp; Executive Director.</b>
2.	Past Remuneration	₹16.00 Lakh p.m. Plus 20% (HRA) plus other benefits as approved by Shareholders vide Special Resolution dated 21.09.2017.	₹16.00 Lakh p.m. Plus 20% (HRA) plus other benefits as approved by Shareholders vide Special Resolution dated 21.09.2017.	₹16.00 Lakh p.m. Plus 20% (HRA) plus other benefits as approved by Shareholders vide Special Resolution dated 21.09.2017.	₹4.10 Lakh P.M Plus 15% (HRA) plus other benefits as approved by the members' vide special resolution dated 25.09.2019
3.	Recognition or awards.	He is closely associated with the ROTARY CLUB and has also served as District Governor, D.I.-3080.	-	He is a President of Kala-Amb Chamber of Commerce and Industries, Kala-Amb.	-
4.	Job Profile and his suitability.	As per (1) above	As per (1) above	As per (1) above	As per (1) above
5.	Remuneration proposed.	As set out in the resolution at Item No. 04 of the Notice of the AGM.	As set out in the resolution at Item No. 05 of the Notice of the AGM.	As set out in the resolution at Item No. 06 of the Notice of the AGM.	As set out in the resolution at Item No. 07 of the Notice of the AGM.
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).	The remuneration proposed to be paid to the Director is comparable with the remuneration being paid for similar assignments in the Industry.	The remuneration proposed to be paid to the Director is comparable with the remuneration being paid for similar assignments in the Industry.	The remuneration proposed to be paid to the Director is comparable with the remuneration being paid for similar assignments in the Industry.	The remuneration proposed to be paid to the Director is comparable with the remuneration being paid for similar assignments in the Industry.
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with managerial personnel, if any.	Beside the Remuneration Proposed no pecuniary relationship with the Company except that Mr. Umesh Chander Garg, Managing Director is the brother of Mr. Subhash Chander Garg.	Beside the Remuneration Proposed no pecuniary relationship with the Company.	Beside the Remuneration Proposed no pecuniary relationship with the Company except that Mr. Subhash Chander Garg, Whole Time Director is the brother of Mr. Umesh Chander Garg.	Beside the Remuneration Proposed no pecuniary relationship with the Company.



### iii. Other Information:

1.	Reasons of inadequate profits	During the Financial Year ended 31st March 2020, the Company did not have adequate profits for payment of managerial remuneration under section 197 and Schedule V of the Companies Act, 2013. The production of the Company has increased during the year but the remuneration proposed does not fall under the limits as specified under section 197 resulted inadequacies of profits during the F.Y. 2019-20.
2.	Steps taken or proposed to be taken for improvement	The Company continued its growth journey through expansions and setting up of Writing & Printing Paper unit in 2008. The Company achieved turnover of Rs. 481.01 Crore during FY 2019-20 as against turnover of Rs. 493.99 Crore during the previous of FY 2018-19. Further the Company has taken several initiatives like improvement of efficiency parameters, and building a formidable branding position.
3.	Expected increase in productivity and profits in measurable terms	During the year 2019-20, the Kraft Paper Production was 82543 MT and Writing and Printing Paper production was 51595 MT. The same is likely to increase in 2020-21. The profits are also likely to increase alongside with the production.

### iv. Disclosure

1.	Remuneration Package	Disclosure of the remuneration package is part of this notice being sent to shareholders.
2.	Details of Fixed Component and performance linked incentives along with the performance criteria.	All components of the remuneration package are fixed. No performance linked incentives to be given.
3.	Service Contracts, Notice Period, Severance fees etc.	For 5 years. Notice period-30 days
4.	Stock Option Details if any.	N.A





*If undelivered please return to*  
Ruchira Papers Limited  
Tirlokpur Road, Kala Amb,  
Himachal Pradesh-173030