29TH ANNUAL REPORT 2008-09

RUCHIRA

RUCHIRA PAPERS LIMITED

BOARD OF DIRECTORS

Chairman cum Whole Time Director
Jatinder Singh

Co-Chairman cum Whole Time Director
Subhash Chander Garg

Managing Director
Umesh Chander Garg

Executive Director
Jaleshwar Narain Singh

Directors
Dalbir Singh
Surinder Gupta
Sawtantar Kumar Dewan
Avtar Singh Bajwa

Company Secretary
Hussan Kumar

Registered Office & Works
Trilokpur Road, Kala Amb,
Distt. Sirmour
Himachal Pradesh-173030

Administrative Office
21-22, New Professors Colony,
Yamuna Nagar-135001
Haryana

Auditors
J.L. Garg & Co.
Chartered Accountants
Head Office :
J-34, Lower Ground Floor
South Extension Part-1
New Delhi-110049

Branch Office :
Railway Road,
Jagadhri (Haryana)-135003

Registrar
Link Intime India Pvt. Ltd.
C-13, Pannalal Silk
Mills Compound,
LBS Road, Bhandup(W)
Mumbai-440078.

Contents	Page No.
Notice	2
Directors' Report	7
Management Discussion and Analysis	12
Corporate Governance	14
Auditors' Report	20
Balance Sheet	22
Profit and Loss account	23
Cash flow Statement	24
Schedules and Notes	25

NOTICE

Notice is hereby given that the TWENTYNINTH ANNUAL GENERAL MEETING of the Members of RUCHIRA PAPERS LIMITED will be held at Hotel Black Mango, Nahan Road, Kala-Amb, District Sirmour, Himachal Pardesh on FRIDAY, the 18th Day of September, 2009 at 3.00 p.m. to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2009, Profit and Loss Account for the year ended on that date together with the Reports of the Board of Directors and the Statutory Auditors thereon.
2. To appoint a Director in place of Shri Sawtantar Kumar Dewan, who retires from the office by rotation and, being eligible, offers himself for re-appointment.
3. To appoint auditors and to fix their remuneration.

SPECIAL BUSINESS:

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

   "RESOLVED THAT pursuant to the provisions of Sections 314 (1)(b) and other applicable provisions, if any, of the Companies Act, 1956 consent of the shareholders be and is hereby accorded to the appointment of Shri Deepan Garg, son of Shri Umesh Chander Garg, Managing Director of the Company, as a Vice-President Technical on remuneration and terms mentioned below :

   (a) Basic Salary Rs 43,000 + HRA 15% Per Month.

   (b) During his tenure , he will be governed by the Rules and Regulations of the Company as may be applicable to the employees of the Company from time to time.

   (c) The revision of remuneration will be effective only after obtaining all approvals in this regard.

   RESOLVED FURTHER THAT the Board of Directors has the liberty to alter and vary such remuneration within the limits specified under Section 314(1)(b) of the Companies Act,1956, to effect change in designation and responsibilities of Shri Deepan Garg, Vice-President Technical."

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

   "RESOLVED THAT pursuant to the provisions of Sections 314 (1)(b) and other applicable provisions, if any, of the Companies Act, 1956 consent of the shareholders be and is hereby accorded to the appointment of Shri Jagdeep Singh, son of Shri Jatinder Singh, Chairman–cum- Whole-Time Director of the Company, as a Vice-President Operations on remuneration and terms mentioned below :

   (a) Basic Salary Rs 43,000 + HRA 15% Per Month.

   (b) During his tenure , he will be governed by the Rules and Regulations of the Company as may be applicable to the employees of the Company from time to time.

   (c) The revision of remuneration will be effective only after obtaining all approvals in this regard.

   RESOLVED FURTHER THAT the Board of Directors has the liberty to alter and vary such remuneration within the limits specified under Section 314(1)(b) of the Companies Act,1956, to effect change in designation and responsibilities of Shri Jagdeep Singh, Vice-President Operations."

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

   "RESOLVED THAT pursuant to the provisions of Sections 314 (1)(b) and other applicable provisions, if any, of the Companies Act, 1956 consent of the shareholders be and is hereby accorded to the appointment of Shri Daljeet Singh, son of Shri Jatinder Singh, Chairman-cum-Whole-Time Director of the Company, as a Vice-President Commercial on remuneration and terms mentioned below :

   (a) Basic Salary Rs 43,000 + HRA 15% Per Month.

   (b) During his tenure, he will be governed by the Rules and Regulations of the Company as may be applicable to the employees of the Company from time to time.

   (c) The revision of remuneration will be effective only after obtaining all approvals in this regard.

   RESOLVED FURTHER THAT the Board of Directors has the liberty to alter and vary such remuneration within the limits specified under Section 314(1)(b) of the Companies Act,1956, to effect change in designation and responsibilities of Shri Daljeet Singh, Vice-President Commercial."

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

   "RESOLVED THAT pursuant to the provisions of Sections 314 (1)(b) and other applicable provisions, if any, of the Companies Act, 1956 consent of the shareholders be and is hereby accorded to the appointment of Shri Lucky Garg, son of Shri Umesh Chander Garg, Managing Director of the Company, as a Vice-President Marketing on remuneration and terms mentioned below :

   (a) Basic Salary Rs 43,000 + HRA 15% Per Month.

   (b) During his tenure , he will be governed by the Rules and Regulations of the Company as may

be applicable to the employees of the Company from time to time.

(c) The revision of remuneration will be effective only after obtaining all approvals in this regard.

RESOLVED FURTHER THAT the Board of Directors has the liberty to alter and vary such remuneration within the limits specified under Section 314(1)(b) of the Companies Act,1956, to effect change in designation and responsibilities of Shri Lucky Garg, Vice-President Marketing."

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

"RESOLVED THAT pursuant to Section 198, 269, 309, 310, Schedule XIII and other applicable provisions , if any, of the Companies Act, 1956, subject to the provisions of the Memorandum and Articles of Association of the Company, the consent of the shareholders be and is hereby accorded to the re-appointment Shri Jaleshwar Narain Singh, as Whole-Time Director designated as Executive Director of the Company for a period of two years, with effect from 12.02.2009 to 11.02.2011 on the same terms and conditions as in existence as settled below:-

a. Salary: Rs. 90,000/- (Rupees Ninety thousand Only) per month.

b. Conveyance Allowance @ Rs 800/- per month.

c. Conveyance: Company's Car with Driver for Official Use.

d. Telephone: Mobile and Telephone Facility at the residence for office purpose.

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

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

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

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

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

Regd. Office : **By order of the Board**
Trilokpur Road,
Kala Amb.
Distt: Sirmour (HP) 173030

Place : Kala – Amb (HP). *Hussan Kumar*
Date : 30th July, 2009. *Company Secretary*

Notes:-

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.** IN ORDER TO BE EFFECTIVE, THE PROXY FORM DULY COMPLETED AND STAMPED MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING. The proxy so appointed shall not have any right to speak at the meeting. The blank proxy form is appended with the attendance slip.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 11TH September, 2009 to Friday, the 18th September, 2009 (both days inclusive).
4. Documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except holidays, between 11.00 A.M. to 1.00 P.M. upto the date of the Annual General Meeting.
5. Members desirous of getting any information on Accounts or other items of the Agenda are requested to forward his/her queries to the Company at least Seven working days prior to the date of the Annual General Meeting so as to enable the Management to keep the information ready.
6. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representative to attend and vote at the Annual General Meeting.
7. Members are requested to intimate the Registrar and Share Transfer Agents of the Company - Link Intime India Private Limited, Mumbai, immediately of any change in their address in respect of equity shares held in physical mode and to their Depository Participants (DP's) in respect of equity shares held in dematerialized form.
8. Members/ Proxies attending the Meeting are requested to bring their copy of the Annual Report with them at the meeting as the same will not be distributed at the meeting. The enclosed attendance slip duly filled up

may kindly be delivered at the entrance of the meeting hall.

9. Information pursuant to Clause 49 of the listing agreement regarding appointment and re-appointment of directors is annexed herewith.

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

ITEM NO. 4

Looking into the expanded technical activities of the Company, the Board of Directors in their meeting held on 25th October, 2008 had appointed Shri Deepan Garg, Son of Shri Umesh Chander Garg Managing Director of the Company, as Vice-President Technical of the Company at a monthly Salary of Rs. 9555 (Basic Salary 7700+ HRA 15% + Bonus 700). Shri Deepan Garg is a BE (Mechanical) and has experience of more than 12 years in Paper Technology.

Now, it is being proposed to appoint Shri Deepan Garg as Vice- President Technical at a monthly salary of Rs 49450/- (Basic Salary 43000 + HRA 15%) as the experience and knowledge of Shri Deepan Garg will be more useful for the Company.

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

Your Directors recommend the resolution for your approval.

ITEM NO. 5

Looking into the expanded technical activities of the Company, the Board of Directors in their meeting held on 25th October, 2008 had appointed Mr Jagdeep Singh, Son of Shri Jatinder Singh, Chairman-Cum-Whole Time Director of the Company, as Vice-President Operations of the Company at a monthly salary of Rs. 9555 (Basic Salary 7700+ HRA 15% + Bonus 700). Shri Jagdeep Singh is BE (Mechanical) Engineer and has experience of more than 1.5 years in Paper Technology.

Now, it is being proposed to appoint Shri Jagdeep Singh as Vice-President Operations at monthly salary of Rs 49450/- (Basic Salary 43000 + HRA 15%)as the experience and knowledge of Shri Jagdeep Singh will be more useful for the Company.

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

ITEM NO. 6

Looking into the expanded business activities of the Company, the Board of Directors in their meeting held on 25th October, 2008 had appointed Mr Daljeet Singh, Son of Shri Jatinder Singh, Chairman-cum-Whole -Time Director of the Company, as Vice President Commercial of the Company at a monthly salary of Rs. 9555 (Basic Salary 7700+ HRA 15% + Bonus 700). Mr Daljeet Singh is an Arts Graduate and has good experience of commercial and agricultural activities.

Now, it is being proposed to appoint Shri Daljeet Singh as Vice-President Commercial at monthly salary of Rs 49450/- (Basic Salary 43000 + HRA 15%) as the experience and knowledge of Shri Daljeet Singh would be more useful for the Company.

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

ITEM NO. 7

Looking into the expanded merketing activities of the Company, the Board of Directors in their meeting held on 25th October, 2008 had appointed Shri Lucky Garg, Son of Shri Umesh Chander Garg, Managing Director of the Company, as Vice-President Marketing of the Company at a monthly Salary of Rs. 9555 (Basic Salary 7700+ HRA 15% + Bonus 700). Shri Lucky Garg is an MBA (Marketing) and has an experience of more than 6 years in Marketing field.

Now it is being proposed to appoint Shri Lucky Garg as Vice- President Technical at a Monthly salary of Rs 49450/- (Basic Salary 43000 + HRA 15%) as the experience and knowledge of Shri Lucky Garg will be more useful for the Company.

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

Your Directors recommend the resolution for your approval.

ITEM NO. 8

The Board of Directors in their meeting held on 29.01.2009 has recommended reappointment of Shri Jaleshwar Narain Singh as Executive Director as his term of office came to an end on 11.02.2009 as per the resolution passed in the Annual General Meeting of 2006-2007. Shri Jaleshwar Narain Singh has been reappointed on same terms, conditions and remuneration as in existence. His consent to act as Executive Director has been received. Accordingly the board presents the resolution before the shareholders for approval.

Except Shri Jaleshawar Narain Singh, Executive Director None of your Directors is concerned or interested in this resolution.

Regd. Office : **By order of the Board**
Trilokpur Road,
Kala Amb.
Distt: Sirmour (HP) 173030

Place : Kala – Amb (HP). *Hussan Kumar*
Date : 30th July, 2009. *Company Secretary*

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

Particulars	**Shri Sawtantar Kumar Dewan**
Date of Birth	11-11-1946
Date of Appointment	13-08-2005
Qualifications	B.SC. (Engineering) Hons.(Mechnical)
Expertise in Specific functional area	Operations.
Directorship of other companies (excluding foreign companies) Chairman / Member of committees* of the Board of Companies of which he is a director.	YGC *Ruchira Papers Limited:* Share Transfer& Investors' Grievance Committee
Shareholding of Non-Executive Directors as stated in Clause 49 (IV) (E) (V) as on 31.03.2009	100

Particulars	**Shri Jaleshwar Narain Singh**
Date of Birth	20-04-1953
Date of Appointment	12-02-1997
Qualifications	Science Graduate
Expertise in Specific functional area	Paper Manufacturing.
Directorship of other companies (excluding foreign companies)	Nil
Chairman / Member of committees* of the Board of Companies of which he is a director	*Ruchira Papers Limited:*Executive Director
Shareholding of Executive Directors as stated in Clause 49 (IV) (E) (V) as on 31.03.2009	850

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

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 29th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2009.

FINANCIAL RESULTS

The operating and financial results are as follows:

Rs. in Lacs

Particulars	2008-2009	2007-2008
Sales	16117.70	8371.38
Other Revenue Receipts	152.23	37.95
Profit (Before Interest, Depreciation & Taxes)	1595.43	1399.65
Less : Depreciation Interest	686.37 1105.84	193.76 187.29
Profit/(Loss) before Tax	(196.78)	1018.60
Less: Provision for Tax	(37.34)	301.81
Net Profit /(Loss)after Tax	(159.44)	716.79

RESULT OF OPERATIONS

The sales of the Company for the year under review increased to Rs.16117.70 Lacs as compared to Rs. 8371.38 Lacs in the previous financial period, registering a growth of 92.53 %. The operating profit (EBIDT) of the Company grew from Rs.1399.65 Lacs in previous period to Rs. 1595.43 Lacs in the year under review. The operating profit (EBIDT) of the company was 9.90% of the sales during F.Y.2008-09 against 16.71 % in F.Y.2007-08. The operating profits have decreased due to initial teething problems faced in Writing & Printing Paper Unit besides increased prices of raw materials, chemicals and fuels.

DIVIDEND

In order to conserve the resources and to strengthen the financial base of the company and funds requirement for the smooth working of Writing and Printing Paper unit and to tide over the recessionary phase, your directors do not recommend any dividend for the year ended 31st March, 2009.

EXPANSION

The Company has set up Chemical Recovery System and Power Co-generation plant during the year.

LISTING OF SHARES

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

DIRECTORS

In accordance with the provisions of the Companies Act, 1956 and the Articles of Association of the Company, Shri Sawtantar Kumar Dewan, Director of the Company will retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment. Shri J.N. Singh, Executive Director of the Company has been re-appointed as Executive Director for the period of two years from 12.02.2009 to 11.02.2011.

FIXED DEPOSITS

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

MANAGEMENT DISCUSSION AND ANALYSIS

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

CORPORATE GOVERNANCE

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

A Report on Corporate Governance as required under clause 49 of the Listing Agreement with the Stock Exchanges, is annexed and forms an integral part of this report. An Auditors' Certificate on Corporate Governance is also annexed to the said Report.

AUDITORS

M/s. J.L. Garg & Co., Chartered Accountants, Jagadhari, Statutory Auditors of the Company , retires at the conclusion of ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

The Company has received letter from them to the effect that their appointment/ reappointment, if made, would be within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such appointment/ re-appointment within the meaning of Section 226 of the said Act

AUDITORS' REPORT

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

COST-AUDIT

To comply with the provisions of Section 233 B of the Companies Act, 1956 the Board of Directors has re-appointed subject to the approval of the Central Government, M/s Sanjay Kumar Garg & Associates, Cost Accountants as Cost Auditors of the Company for the year ending 31st March, 2010.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A statement giving details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and outgo, in accordance with Section 217 (e) of the Companies Act, 1956, read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules,

1988 , is set out in Annexure -1 hereto and forms part of this Report.

PARTICULARS OF EMPLOYEES

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

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

The Statement of the Directors' Responsibility on the Annual Accounts of the Company for the year ended March 31, 2009 is given as follows :-

a. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b. that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent , so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2009 and of the profit of the Company for the year ended as on that date;

c. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d. that the directors had prepared the Annual Accounts on a going concern basis.

ACKNOWLEDGEMENTS

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

For and on behalf of the Board

Umesh Chander Garg
Managing Director

Place: Kala-Amb
Dated: 30 July, 2009

ANNEXURE-1
TO THE DIRECTORS' REPORT

Information as per Section 217(1)E of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the Report of the Board of Directors) Rules 1988 and forming part of the Director's Report for the period ended 31st March, 2009.

A) CONSERVATION OF ENERGY

a) Energy Conservation Measures Taken:

Installation of VFD (Variable Frequency Drives) in the sectional drives in the Paper Machine, Boiler and Pulp mill, where the throttling is required. The effect of the same on energy saving is under observation and major benefits will be available on full operation of the plant in next year/s.

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

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

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

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

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

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

B) TECHNOLOGY ABSORPTION

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

C) FOREIGN EXCHANGE EARNINGS AND OUTGO

f) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans: Nil

g) Total Foreign Exchange used and earned :

i) Expenditure in foreign exchange on account of

(Rs)

	Particulars	2008-09	2007-08
(i)	Royalty , Knowhow , professional and consultation fees	527734	960916
(ii)	i) Interests	Nil	Nil
	ii) Other Matters		
	- Raw Materials & Consumable Stores	45174044	15657541
	- Capital Expenditure (on CIF Basis)	-	126516973
(iii)	Foreign Traveling	176855	Nil
(iv)	Advances for Store & Spares	928038	2231116
(v)	Plant & Machinery	8126403	103356116

ii) Earnings in foreign exchange on account of :

	Particulars	2008-09	2007-08
(i)	Export of Goods on FOB basis	Nil	Nil
(ii)	Royalty, know how, professional and consultation fee.	Nil	Nil
(iii)	Interest and dividend etc.	Nil	Nil
(iv)	Other Income including the Nature thereof.	Nil	Nil

Form "A"
(See rule 2)
Form for Disclosure of Particulars with respect to conservation of energy.

		2008-09	2007-08
A.	**POWER AND FUEL CONSUMPTION**		
1.	**Electricity**		
	a) Purchased		
	Units (KWAH)	26916735	25989276
	Total Amount (Rs.)	103664681	84993100
	Rate per Unit (Rs.)	3.85	3.27
	b) Own Generation	Nil	Nil
	i) Through Disel generator	Nil	Nil
	Total Units generated	Nil	Nil
	Units per litre of diesel	Nil	Nil
	Cost per unit generated (Rs.)	Nil	Nil
	ii) Through Steam Turbine/Generator		
	Units	33099194	
	Units per Ltr. Of fuel oil/ gas	Nil	Nil
	Cost / units	Nil	Nil
2.	**Coal (specify quantity and where used)**		
	Quantity (ton)	15249.843	Nil
	Total Cost(Rs Lakhs)	589.87	Nil
	Average Rate - P/T	3868.00	Nil
	Used in Boiler		
3.	**Furnace Oil**		
	Quantity (K.ltrs)	366.600	Nil
	Total amount (Rs. in Lacs)	65.53	Nil
	Average Rate	17875.00	Nil
4.	**Others / internal Generation :**		
	a) Rice Husk (M.T.)	38093.736	12624.450
	Cost (Rs. Lakhs)	1326.00	350.26
	b) Baggasse (M.T.)	5878.085	12052.136
	c) Saw Dust (M.T.)	290.585	46.341
	Cost for (b) + (c) (Rs. Lakhs)	72.78	145.56
	d) Mustard Husk (MT)	929.136	Nil
	Cost (in Lakhs)	23.87	Nil
	e) Veneer Chips/ Cotton waste (MT)	26873.632	21724.888
	Cost (in Lakhs)	468.32	285.40
	f) Fire Wood/Other Fuel	4510.933	73.115
	Cost (in Lakhs)	125.51	3.82
	Total Fuel Cost (in Lakhs)(2+3+4)	2671.87	785.04
B.	**CONSUMPTION PER UNIT OF PRODUCTION**		
	a. *Liner Craft Paper*		
	Production (M.T.)	45556.762	45914.245
	Electricity (in Units) per Ton of production	533.60	553.87
	Furnace oil	Nil	Nil
	Coal (specify)	Nil	Nil
	Others (specify)	Nil	Nil
	a. *b) Writing & Printing Paper*		
	Production (M.T.)	20439.691	86.130
	Electricity (in Units) per Ton of production	1717.26	951.25
	Furnace oil	Nil	Nil
	Coal (specify)	Nil	Nil
	Others (specify)	Nil	Nil

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

	Research and Development (R&D)	
1.	Specific areas in which R&D carried out by the Company.	None
2.	Benefits derived as a result of the above R&D.	None
3.	Future plan of action.	None
4.	Expenditure on R&D	
	a) Capital	Nil
	b) Recurring	Nil
	c) Total	Nil
	d) Total R&D expenditure as a percentage of total turnover.	Nil
	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

INFORMATION AS PER SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975, AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2009

Persons employed for full/ part of the year ended March 31, 2009 who were in receipt of remuneration which in the aggregate was not less than Rs. 24,00,000 p.a. / Rs. 2,00,000 p.m. respectively.

Sl. No.	Name	Designation	Qualification	Age (Yrs)	Date of Joining	Exp. (Yrs)	Gross Remuneration (Rs.) p.a.	Previous Employment & Designation
1	Sh. Jatinder Singh	Chairman -cum-Whole Time Director	B.Sc. (Engineering)	54	8.12.1980	28	5400000	-
2	Sh. Subhash Chander Garg	Co-Chairman -cum- Whole Time Director	B.A., L.L.B	68	8.12.1980	28	5400000	-
3	Sh. Umesh Chander Garg	Managing Director	Pre-University	60	8.12.1980	28	5400000	-

MANAGEMENT DISCUSSION AND ANALYSIS
(F.Y.2008-09)

OVERALL PERFORMANCE

The Company has registered an upward trend in its performance levels over the previous year, which marks a good sign and mainly attributable on account of:

a. Increase in its manufacturing ability in the paper sector by setting up 100 TPD Writing and Printing Paper unit.
b. By way of increase in the production and attaining economies of scale even though the increase in cost of the raw materials and inputs.
c. Usage of the latest technology for achieving the optimum end product and reduction in cost of production in comparison to increase in cost of inputs.

INDUSTRY STRUCTURE AND DEVELOPMENT

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

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

The Indian Paper Industry has demonstrated secular general growth rate of 7-8 % during last 3-4 years with the consistent rise in demand. The per capita consumption of Paper in the India is still as low as 6 Kg while South Asia and World Average consumption is at 11 Kg and 53 Kg respectively leaving wide scope of paper in India.

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

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

OPPORTUNITIES AND THREATS

The Company being located in Himachal Pradesh is presently entitled to 100 % excise duty exemption upto June, 2013 in respect of Kraft Paper and concessional rates of Central Sales tax at 1 % against 2 % in other states. The Company has also set up 100 TPD Writing & Printing Paper unit, which is also entitled for 100 % excise exemption for next 10 years with effect from 30.03.2008 (the date of start of commercial production). It is also entitled for 100 % income tax exemption with effect from Assessment Year 2008-09 for the next five years and thereafter 30 % exemption for the next five years. The company has also set up Captive Power Cogeneration Plant, which helps the company to get the cheap and uninterrupted power supply. Further the location of the factory at the outskirts of Himachal Pradesh helps to get raw material of agro wastes from the neighboring agricultural rich states of Haryana and Punjab.

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

PRODUCT ANALYSIS

The Product range of the Company mainly includes Kraft Paper from 120 GSM to 300 GSM with a installed capacity of 52800 TPA. This product finds its application in the manufacturing of corrugated boxes, Corrugated rolls for industrial packaging. The Company also manufactures a special grade of Kraft Paper known as DTY/POY grade which is used in the manufacturing of textile tubes and in wrapping of different types of Yarn.

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

RISK AND CONCERNS

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

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

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

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

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

FINANCIAL PERFORMANCE

The Sales of the Company for the year under review increased to Rs.16117.70 Lacs as compared to Rs. 8371.38 lacs in the previous financial period, registering a growth of 92.53 %. The operating profit (EBIDT) of the Company grew from Rs.1399.65 Lacs in previous period to Rs. 1595.43 Lacs in the year under review. The operating profit (EBIDT) of the company was 9.90% of the net sales during F.Y.2008-09 against 16.71 % in F.Y.2007-08. The operating profits have decreased due to initial teething problems of Writing & Printing Unit and increase in the prices of raw materials, chemical and fuels.

HUMAN RESOURCES DEVELOPMENT

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

FORWARD LOOKING STATEMENTS

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

Report on Corporate Governance
(2008-09)
(Pursuant to Clause 49 of the Listing Agreement)

The Directors present the Company's Report on Corporate Governance for the year ended 31st March, 2009.

1. Company's philosophy on corporate governance:

The Company seeks to adopt good corporate governance practices and places strong emphasis on transparency, empowerment, accountability and integrity which leads to satisfaction of shareholders. Company's philosophy is concerned with ethics, values and morals of the Company and remains accountable to the shareholders and other beneficiaries for their action. The Company conducts its activities in a manner that is fair and transparent and perceived to be such by others.

2. Board of Directors:

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

a. Composition of the Board of Directors:

The Board has an optimum combination of Executive and Non-Executive directors. 50 % of the Directors are Non-Executive Independent Directors. The Company has Whole Time Executive Directors to look after finance, projects, commercial, technical and personnel affairs of the Company. The total number of directors of the Company is 8 as on 31St March, 2009 consisting of 4 Executive Directors and 4 Independent Non Executive Directors.

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

Name of Directors	Category of Directors	Board Meetings attended during 2008-09	Attendance at Last AGM	No. of Other Director-ships	Membership of other Committee Board
Mr. Subhash Chander Garg	Co-Chairman cum Whole Time Director *Executive & Promoter*	3	Yes	Nil	Nil
Mr. Jatinder Singh	Chairman cum Whole Time Director *Executive & Promoter*	4	Yes	2	Nil
Mr. Umesh Chander Garg	Managing Director *Executive & Promoter*	4	Yes	Nil	Nil
Mr. Jaleshwar Narain Singh	Executive Director *Executive*	3	Yes	Nil	Nil
Mr. Dalbir Singh	*Non-Executive Independent*	3	Yes	Nil	Nil
Mr. Surinder Gupta	*Non-Executive Independent*	4	No	Nil	Nil
Mr. Avtar Singh Bajwa	*Non-Executive Independent*	4	No	Nil	Nil
Mr. Mr.S.K.Dewan	*Non-Executive Independent*	4	No	1	Nil

c. Date and Number of Board Meetings held:

During the year ended 31st March, 2009, Four meetings of the Board of Directors were held on 28.04.08, 28.07.08, 25.10.08 and 29.01.09.

3. Audit Committee:

The Audit Committee has been set up in accordance with the requirements of section 292A of the Companies Act, 1956 and the terms of reference are in conformity with clause 49 of the listing agreement entered into with the stock exchanges. The composition of the Audit Committee as on 31st March, 2009 is as follows:

Sr. No.	Names of Member	Designation	Category of Director	No. of Meetings attended
1	Mr. Dalbir Singh	Chairman	IndependentNon-Executive	3
2	Mr. Surinder Gupta	Member	IndependentNon-Executive	4
3	Mr. Avtar Singh Bajwa	Member	IndependentNon-Executive	4
4	Mr. Jatinder Singh	Member	Non-IndependentExecutive	4

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

(a) To recommend the appointment of the statutory auditors, internal auditors and cost auditors.
(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 the financial statements before submission to the Board of Directors.

The Audit Committee met four times during the year on 28.04.2008, 28.07.2008, 25.10.2008 and 29.01.2009.

4. Remuneration Committee:

Terms of reference:

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

The Composition of the committee is as follows:

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

The Remuneration Committee met on 28.04.2008. The Non-Executive Directors are paid sitting fees for attending the meetings of the Board or Committee thereof attended by them. Other than sitting fees, no other remuneration is payable to the Non-Executive Directors for the year 2008-09. The details of Remuneration of the directors for the financial year ended 31st March, 2009 is as follows:

Name	Salary including allowances	Sitting fees	Total
Mr. Subhash Chander Garg	5400000	-	5400000
Mr. Umesh Chander Garg	5400000	-	5400000
Mr. Jatinder Singh	5400000	-	5400000
Mr. Jaleshwar Narain Singh	908787	-	908787
Mr. Dalbir Singh	-	15000	15000
Mr. Surinder Gupta	-	20000	20000
Mr. Avtar Singh Bajwa	-	20000	20000
Mr. Sawtantar Kumar Dewan	-	20000	20000

5. Shareholders/ Investors Grievance Committee:

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

The Composition of the committee is as follows:

Sr.No.	Names of Members	Category
1.	Mr. Sawtantar Kumar Dewan	Chairman Independent & Non-Executive
2.	Mr. Jatinder Singh	Non-Independent Executive
3.	Mr. Subhash Chander Garg	Non-Independent Executive

The Committee has met on 28.04.2008, 28.07.2008, 25.10.2008, 29.01.2009. There was no complaint pending at the beginning of the year. the company has received one complaint for non receipt of Annual Report, which was resolved during the year and no complaint is pending at the close of the year.

6. Disclosures:

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

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

Non-Mandatory Requirements adopted by the Company:

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

7. Means of Communication:

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

8. General body Meetings:

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

Year	Date	Time	Venue
2006	22.04.2006	11:30 A.M.	Registered Office of the Company at Trilokpur Road, Kala-Amb, Distt. Sirmour (H.P.)-173030
2007	31.08.2007	3:00 P.M.	Hotel Black Mango, Nahan Road, Kala-Amb, Distt. Sirmour (H.P.)-173030
2008	06.09.2008	3:00 P.M.	Hotel Black Mango, Nahan Road, Kala-Amb, Distt. Sirmour (H.P.)-173030

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

9. Shareholders Information:

a. General Shareholder Information:

Annual General Meeting (Date , time and venue)	18th September 2009 at 3:00 P.M. at Hotel Black Mango, Nahan Road, Kala Amb, Distt. Sirmour (H.P.)-173030.
Financial Calendar	The Company follows April-March as its financial year.
Book Closure date	11.09.2009 to 18.09.2009 (Both days inclusive)
Dividend Payment Date	Not Applicable
Listing on Stock Exchanges	The Company's Equity Shares are currently listed with the Bombay Stock Exchange, Mumbai and the National Stock Exchange of India Limited under Stock Codes "532785" and "RUCHIRA" respectively. The Company has paid the requisite fees to the stock exchanges for the financial year 2009-10.

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

b. Market Price Data: Monthly High/ low during each month of 2008-09 on Stock exchanges, Mumbai.

Market Price Data	**Share prices of the Company for the period 2008-09.**			
Month	**Bombay Stock Exchange**		**The National Stock Exchange of India Limited**	
	High (Rs.)	**Low (Rs.)**	**High (Rs.)**	**Low (Rs.)**
April 2008	17.90	14.00	17.85	14.45
May 2008	17.45	14.55	17.60	14.45
June 2008	15.40	12.35	15.50	12.25
July 2008	14.60	11.05	14.95	11.10
August 2008	14.25	12.25	14.50	12.20
September 2008	13.07	10.50	13.00	10.50
October 2008	11.86	5.63	11.70	5.45
November 2008	8.34	5.40	8.00	5.35
December 2008	6.90	5.30	6.80	4.80
January 2009	7.70	5.00	7.80	5.10
February 2009	7.50	4.70	7.05	5.00
March 2009	5.78	4.00	5.50	4.45

c. Distribution of Shareholding as on 31st March, 2009:

Shareholding of nominal values	Shareholders		Amount	
	Number	% of Total	Rupees	% of Total
Upto 2,500	3365	46.905	5284010	2.357
2,501 - 5,000	1756	24.477	7014040	3.128
5,001 - 10,000	1061	14.79	8832580	3.939
10,001 - 20,000	517	7.207	8110350	3.617
20,001 - 30,000	135	1.882	3533950	1.576
30,001 - 40,000	61	0.85	2202750	0.982
40,001 - 50,000	80	1.115	3784980	1.688
50,001 - 1,00,000	90	1.255	6878790	3.068
1,00,001 & Above	109	1.519	178576590	79.644
TOTAL	7174	100.000	224218040	100.000

d. Categories of Shareholding as on 31st March, 2009:

Categories	Number of Shares	Amount in Rs.	%
Promoters, Directors, Relatives and Promoter Group	12290675	122906750	54.82
Mutual Funds/UTI	0	0	0
Financial Institutions/Banks	2501234	25012340	11.15
Bodies Corporate	1186730	11867300	5.29
Non Resident Indians	74438	744380	0.33
Clearing Members	14672	146720	0.07
Indian Public	6354055	63540550	28.33
TOTAL:	**22421804**	**224218040**	**100.000**

e. Dematerialization of Shares:

The shares of the company can be traded in dematerialized form with NSDL AND CDSL. As on 31st March, 2009, a total of 19220359 Equity shares of the company which form 85.72 % of the share capital, stand dematerialized. The Company through its Registrar and Share Transfer Agents provides the facility of simultaneous transfer and dematerialization of shares.

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

10. Certificate on Corporate Governance:

To,
The Members of Ruchira Papers Limited

We have examined the compliance of conditions of Corporate Governance by Ruchira Papers Limited, for the year ended 31st March, 2009, as stipulated in Clause 49 of the Listing Agreements of the said Company with the Stock Exchanges.

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

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

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

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

For J.L. Garg & CO.
Chartered Accountants

I.C.GOEL
Partner
M. No. 004631

Place: Jagadhri
Date: 30th July,2009

11. Certification by Managing Director:

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

I have reviewed financial statements and cash flow statement of Ruchira Papers Limited for the year ended 31st March, 2009 and to the best of our knowledge and belief:

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

b. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

c. No transaction has been entered into by the company during the year under review which are fraudulent, illegal or voilative of the company's code of conduct.

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

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

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

It is hereby affirmed that during the year 2008-09, all the Directors and Senior Managerial personnel have complied with the Code of Conduct and have given confirmation in this regard.

For Ruchira Papers Limited

Umesh Chander Garg
(Managing Director)

Place : Kala Amb
Date: 30th July,2009

AUDITOR'S REPORT

To,

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

1. We have audited the attached Balance Sheet of Ruchira Papers Limited as at 31st March 2009 and also the Profit & Loss Account for the year ended on that date annexed thereto. These financial Statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principals used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to above, we report that :
   a) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
   b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
   c) The Balance Sheet, Profit & Loss Account and Cash flow statement dealt with by this report are in agreement with the books of account;
   d) In our opinion, the Balance Sheet, Profit & Loss Account and Cash flow statement dealt with by this report comply with the accounting standards referred to in sub-section (3C) of Section 211 of the Companies Act, 1956;
   e) In our opinion and based on information and explanations given to us none of the directors are disqualified as on 31st March 2009 from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 on the said date;
   f) In our opinion and to the best of our information and according to the explanations given to us, the said account read together with significant accounting policies and notes to accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fare view in conformity with the accounting principles generally accepted in India :
   a) In the case of Balance Sheet, of the state of affairs of the Company as at 31st March 2009.
   b) In the case of Profit & Loss Account, of the profit for the year ended on that date.
   c) In the case of Cash Flow Statement, of the cash flows for the year ended on that date.

Railway Road
Jagadhari
Dated : 30th July,2009

(I.C. Goel F.C.A.) Partner
for J.L.Garg & Co.
Chartered Accountant
Membership No. 004631

ANNEXURE REFERRED TO IN PARAGRAPH 3 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF RUCHIRA PAPERS LIMITED ON THE ACCOUNTS AS AT AND FOR THE YEAR ENDED 31ST MARCH, 2009

1. (i) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
   (ii) We were informed that these fixed assets of the Company have been physically verified by the management at reasonable intervals and no material discrepancies have been noticed on such verification.
   (iii) There was no substantial disposal of fixed assets during the year.
2. (i) The management has conducted physical verification of inventory at reasonable intervals during the year.
   (ii) The procedure of physical verification of inventory followed by the management are, in our opinion, reasonable and adequate in relation to the size of the Company and nature of its business.
   (iii) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification
3. (i) The Company has taken Unsecured loans from three Directors covered in the register maintained under section 301 of the Companies Act, 1956. The maximum amount during the period of such loans was Rs 310.80 lakhs and the amount remaining unpaid at the year end was Rs 310.80 lakhs.
   (ii) The loans taken by the Company is free of interest and are not due for repayment at the year end.
   (iii) There are no overdue amounts of the principal repayable at the year end.
   (iv) The Company has not granted any loans to parties covered in the register maintained under section 301 of the Companies Act,1956.

(v) Since the company has not granted any loans to parties, the question of reporting whether terms & conditions of such loan are prejudicial to the interest of company does not arise.

(vi) Further in the light of above, the question of, whether reasonable steps are taken for recovery/ repayment of overdue of such loan, does not arise.

4. In our opinion and according to information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods & Services. During the course of our audit, no major weakness has been noticed in the internal control in respect of these areas.

5. (i) According to information and explanations given to us, we are of the opinion that the transactions that need to be entered in to the register maintained under Section 301 have been so entered;and

(ii) Transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time.

6. The Company has not accepted any deposits from the public.

7. In our opinion the Company has an internal audit system commensurate with the size and nature of its business.

8. We have broadly reviewed the books of accounts maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209 (1) (d) of the Companies Act,1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however made a detailed examination of said records.

9. (i) According to information and explanations given to us and according to the books and records as produced and examined by us, in our opinion, the undisputed statutory dues in respect of provident fund, investor education and protection funds, employees' state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, service tax, cess and others as applicable have been regularly deposited by the Company during the year with the appropriate authorities.

(ii) According to information and explanations given to us and according to the books and records as produced and examined by us , there are no disputed dues of sales tax, income tax, custom duty, wealth tax, service tax and cess matters . The details of disputed excise duty dues which have not been deposited by the company with the authorities as at March 31 ,2009 are as follows :-

Name of the Statute	Nature of the dues	Amount	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty & Penalty thereon.	31042816	Custom, Excise & Service Tax Appellate Tribunal, New Delhi.
The Central Excise Act, 1944	Excise Duty Penalty	46473	H.P. High Court , Shimla

10. The Company has no accumulated losses at the end of the financial year and has not incurred any cash losses in the current and immediately preceding financial year.

11. Based on our audit procedures and as per information and explanations given by the management, we are of the opinion that Company has not defaulted in repayment of dues to financial institutions or banks.

12. According to information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.

13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.

14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.

15. According to information and explanations given to us the Company has not given any guarantee for loans taken by others from the banks and financial institutions.

16. Based on information and explanations given to us by the management, the term loans were applied for the purpose for which the loans were obtained.

17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion, there are no funds raised on short term basis which have been used for long term investment.

18. The Company has not made any preferential allotment of Shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.

19. The Company has not issued any debentures during the year.

20. The Company has not raised any money through a Public Issues during the year.

21. Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

Railway Road
Jagadhari
Dated 30th July,2009

(I.C. Goel F.C.A.) Partner
for J.L.Garg & Co.
Chartered Accountant
Membership No. 004631

Balance Sheet as at March 31, 2009

Particulars	Schedule		As at 31.03.2009		As at 31.03.2008
Sources of Funds					
Shareholders' Funds					
Share Capital	A	**224218040**		224218040	
Reserves and Surplus	B	**406756598**	**630974638**	426236693	650454733
Loan funds					
Secured	C		**1383741287**		1061766587
Un-Secured Loans	D		**31080000**		12675000
Deferred Tax Liability			**75103878**		79687105
Total Rs.....			**2120899803**		1804583425
Application Of Funds					
Fixed Assets	E				
Gross Block		**2172104319**		1294702406	
Less: Depreciation		**299151943**		227698345	
Net Block		**1872952376**		1067004061	
Capital Work in Progress		**13118387**	**1886070763**	506296181	1573300242
Current Assets, Loans & Advances	F				
Inventories		**275001578**		125610004	
Sundry Debtors		**184168489**		126962343	
Cash & Bank Balances		**19204498**		14436067	
Loans & Advances		**54892885**		83971806	
		533267450		350980220	
Less: Current Liabilities & Provisions	G				
Liabilities		**269155416**		85880697	
Provisions		**29399727**		34049809	
		298555143		119930506	
Net Current Assets			**234712307**		231049714
Misc. Expenditure (To the extent not Written off or Adjusted) Amalgamation expenses			**116733**		233469
Total Rs.			**2120899803**		**1804583425**
Accounting Policies and Notes to Accounts	O				

The Schedules refer to above form the part of Balance Sheet

For and on behalf of the Board

Jatinder Singh
Chairman Cum
Whole Time Director

Umesh Chander Garg
Managing Director

Hussan Kumar
Company Secretary

Auditors' Report
Certified in terms of our separate report of even date.

(I.C. Goel, F.C.A.) Partner
For J.L.Garg & Co.,
Chartered Accountants
Membership No. 004631

Railway Road,
Jagadhri.
Dated : 30.07.2009

Profit and Loss Account for the year ended March 31, 2009

Particulars	Schedule		Year ended 31.03.2009		Year ended 31.3.2008
Income					
Sales	L		**1611769789**		837137604
Less: Excise Duty			**2069192**		1076464
Net Sales			**1609700597**		836061140
Other Income	M		**15223808**		3794841
Increase /(Decrease) in stocks of Work-in-process and Finished goods	N		**39598447**		4887166
Total Rs...			**1664522852**		**844743147**
Expenditure					
Raw Materials, Fuel & Chemicals Consumed	H		**1176370070**		503544341
Manufacturing Expenses	I		**221966781**		141642232
Administrative, Selling & Other Expenses	J		**106526344**		59474572
Interest	K		**110583468**		18729367
Depreciation		**72173249**		22915140	
Less: Transfer from Revaluation Reserve		**3536043**	**68637206**	3539487	19375653
Amalgamation Expenses Written Off			**116736**		116736
Total Rs.			**1684200605**		742882901
Profit / (Loss) for the year before taxation			**(19677753)**		101860246
Provision for Taxation					
-Fringe Benefit Tax		**614000**		425000	
-Current Tax		**0**		11550000	
-Deferred Tax		**(4583227)**		29385093	
-Earlier Years		**235526**		371534	
Less MAT Credit entitlement		**0**	**(3733701)**	11550000	30181627
Net Profit			**(15944052)**		71678619
Balance brought forward			**219206328**		147527709
Balance carried forward to Reserve & Surplus			**203262276**		219206328
Earning/(Loss) Per Share (Equity Shares, par value of Rs. 10/- each)					
Basic			**(0.71)**		3.20
Diulated			**(0.71)**		3.20
Accounting Policies and Notes to Accounts	O				

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

For and on behalf of the Board

Jatinder Singh
Chairman Cum
Whole Time Director

Umesh Chander Garg
Managing Director

Hussan Kumar
Company Secretary

Auditors' Report
Certified in terms of our separate report of even date.

(I.C. Goel, F.C.A.) Partner
For J.L.Garg & Co.,
Chartered Accountants
Membership No. 004631

Railway Road,
Jagadhri.
Dated : 30.07.2009

Cash Flow Statement for the period ended 31st March 2009

	Period ended 31.3.2009	Year ended 31.3.2008
A) Cash Flow from Operating Activities		
Net Profit Before Tax/(Loss)	**(19677753)**	101860246
Adjustment for:		
Depreciation	**68637206**	19375653
Misc. Expenditure	**116736**	116736
Loss/(Profit) on sale of Fixed Assets	**(21994)**	(136028)
Interest Income	**(3171357)**	(3655312)
Interest Expense	**110583468**	18729367
Operating Profit before working capital charges	**156466306**	136290662
Decrease/(increase) in Sundry Debtors	**(57206146)**	(23394063)
Decrease/(increase) in Inventories	**(149391574)**	(56493545)
Decrease/(increase) in Loans & advances	**21553472**	98776649
(Decrease)/increase in Sundry Creditors	**148454112**	29627476
(Decrease)/increase in Other Current Liabilities	**41557195**	9866248
Cash generated from Operations	**161433365**	194673427
Income Tax Paid(Net)	**(4685077)**	(14071421)
Net Cash from Operating Activities	**156748288**	180602006
B) Cash Flow from Investing Activities		
Purchase of Fixed Assets	**(385298776)**	(1035843991)
Proceeds from sale of Fixed assets	**377000**	548700
Interest Received	**3171357**	3655312
Net Cash from Investing Activities	**(381750419)**	(1031639979)
C) Cash Flow from Financing Activities		
Proceeds from Unsecured loans	**18405000**	12675000
Proceeds from Long Term Borrowings	**203140641**	729342218
Repayments of Long Term Borrowing	**(17872631)**	(19183044)
Proceeds from Short Term Borrowings(Net)	**136706690**	62156706
Interest Paid	**(110609138)**	(18754417)
Net Cash used in Financing activities	**229770562**	766236463
Net Increase in Cash & Cash equivalents (A+B+C)	**4768431**	(84801510)
Cash & Cash equivalents at beginning of the period	**14436067**	99237577
Cash & Cash equivalents at end of the period	**19204498**	14436067

Notes:

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

or and on behalf of the Board

Jatinder Singh
Chairman Cum
Whole Time Director

Umesh Chander Garg
Managing Director

Hussan Kumar
Company Secretary

Auditors' Report
In terms of our report on the foot of Balance Sheet

(I.C. Goel, F.C.A.) Partner
For J.L.Garg & Co.,
Chartered Accountants
Membership No. 004631

Railway Road,
Jagadhri.
Dated : 30.07.2009

Schedules attached to and forming part of Balance Sheet as on March 31, 2009

Particulars	As at 31.3.2009	As at 31.3.2008
SCHEDULE 'A' : SHARE CAPITAL		
Authorised		
31000000 Equity Shares of Rs. 10/- each	**310000000**	310000000
	310000000	310000000
Issued, Subscribed & paid up :		
22421804 Equity Shares of Rs. 10/- each fully paid up including 1965500 Equity Shares issued for consideration other than cash	**224218040**	224218040
Total (Rs.)	**224218040**	224218040
SCHEDULE 'B' : RESERVES AND SURPLUS		
Revaluation Reserve Account		
Opening Balance as per previous Balance Sheet	**6288412**	9827899
Less : Transferred to Profit & Loss Account	**3536043**	3539487
Net Total	**2752369**	6288412
Profit and Loss Account		
Balance transferred from profit & loss appropriation account	**203262276**	219206328
Share Premium Account	**181086953**	181086953
General Reserve	**19655000**	19655000
Total (Rs.)	**406756598**	426236693
SCHEDULE 'C' : SECURED LOANS		
A. Term Loans :		
HPSIDC, Shimla	**11625000**	14725000
Vehicle Loans (ICICI Bank Ltd)	**3284589**	6050416
Punjab National Bank, (Kraft)	**11373391**	20473297
Punjab National Bank, (Writing & Printing)	**532441113**	456060614
State Bank Of Bikaner and Jaipur ,(Writing& Printing)	**146082844**	146736135
Oriental Bank Of Commerce ,(Writing& Printing)	**381697412**	258124729
Vehicle Loans (Magma Sarchi Finance Ltd)	**1509474**	0
Vehicle Loans (Tata Finance Ltd)	**1141684**	1717306
B. Cash Credit Accounts :		
Punjab National Bank, Chandigarh (Kraft)	**103466326**	75185050
State Bank Of Bikaner and Jaipur (Kraft)	**38984429**	53560339
Punjab National Bank, Chandigarh (Writing & Printing)	**121015292**	29133701
Oriental Bank Of Commerce (Writing & Printing)	**31119733**	0
Total (Rs.)	**1383741287**	1061766587
SCHEDULE 'D' : UNSECURED LOANS		
Sh. Subhash Chander Garg	**6900000**	3800000
Sh. Umesh Chander Garg	**7075000**	3975000
Sh. Jatinder Singh	**17105000**	4900000
Total (Rs.)	**31080000**	12675000

Schedules attached to and forming part of Balance Sheet as at March 31, 2009

SCHEDULE 'E' : FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	COST AS ON 1/4/2008	ADDITIONS	SALE/ TRANSFER	TOTAL AS ON 31.3.2009	UPTO 31/3/2008	FOR THE YEAR	DEPRECIATION ON SALE OF ASSETS ADJ.	TOTAL UPTO 31.3.2009	AS ON 31/03/2009	AS ON 31/03/2008
1	2	3	4	5	6	7	8	9	10	11
LAND	96711907	51500	0	**96763407**	0	0	0	**0**	**96763407**	96711907
BUILDING	179891323	106913713	0	**286805036**	23036889	6952709	0	**29989598**	**256815438**	156854434
OFFICE BUILDING	12692115	0	0	**12692115**	106446	206881	0	**313327**	**12378788**	12585669
PLANT & MACHINERY	921506775	759799992	0	**1681306767**	158636760	56725715	0	**215362475**	**1465944292**	762870015
E.T.P.	35602228	0	0	**35602228**	22827346	1795397	0	**24622743**	**10979485**	12774882
TUBE WELL	2480133	0	0	**2480133**	397657	40032	0	**437689**	**2042444**	2082476
FURNITURE	6597466	969001	0	**7566467**	2934711	786059	0	**3720770**	**3845697**	3662755
TOOLS & EQUIPMENTS	467360	49440	0	**516800**	96409	33748	0	**130157**	**386643**	370951
LAB. EQUIPMENTS	2374073	2016777	0	**4390850**	1367326	186319	0	**1553645**	**2837205**	1006747
OFFICE EQUIPMENTS	2076700	351080	0	**2427780**	506808	107154	0	**613962**	**1813818**	1569892
VEHICLES	27127018	7210493	1074657	**33262854**	14776733	4642213	719651	**18699295**	**14563559**	12350285
FAX MACHINE	204010	5720	0	**209730**	91349	9754	0	**101103**	**108627**	112661
WEIGHING SCALE	2529708	0	0	**2529708**	491598	120162	0	**611760**	**1917948**	2038110
COMPUTERS	2718638	509744	0	**3228382**	2014074	473521	0	**2487595**	**740787**	704564
Fire Fighting	116778	242638	0	**359416**	30	10966	0	**10996**	**348420**	116748
PBX	256203	0	0	**256203**	106734	12170	0	**118904**	**137299**	149469
PHOTOSTAT MACHINE	220301	72800	0	**293101**	75807	10616	0	**86423**	**206678**	144494
TELEPHONES	1129670	283672	0	**1413342**	231668	59833	0	**291501**	**1121841**	898002
TOTAL (Rs.)	**1294702406**	**878476570**	**1074657**	**2172104319**	**227698345**	**72173249**	**719651**	**299151943**	**1872952376**	**1067004061**
PREVIOUS YEAR	462715744	833287750	1301088	1294702406	205671621	22915140	888416	227698345	1067004061	2570441 23

Particulars	**As at 31.3.2009**	As at 31.3.2008

SCHEDULE 'F' : CURRENT ASSETS, LOANS AND ADVANCES

A. Current Assets		
Inventories		
(As taken, valued and certified by the Management)		
Raw Material	**127264959**	70438065
Stores, Spares & Packaging	**83728527**	30762294
Semi Finished Goods	**22026000**	12787550
Finished Goods	**41982092**	11622095
Total (Rs.)	**275001578**	125610004
Sundry Debtors		
(Unsecured, Unconfirmed but considered Good)		
Debts outstanding for a period exceeding 6 months.	**10679073**	10894502
Other Debts	**173489416**	116067841
Total (Rs.)	**184168489**	126962343
Cash and Bank Balances		
Cash & Bank Balances	**6027040**	1412359
Margin Money with Scheduled Banks	**3301000**	2896000
FDR (Against Bank Guarantee)	**9876458**	10127708
Total (Rs.)	**19204498**	14436067

Schedules attached to and forming part of Balance Sheet as at March 31, 2009

Particulars	**As at 31.3.2009**	As at 31.3.2008
B. Loans and Advances		
(Unsecured, unconfirmed but considered Good)		
(Recoverable in cash or in kind or for value to be received)		
Sundry Advances	**22259483**	8738707
Advances to Suppliers	**11837816**	6575002
Advances to Suppliers for Capital Work	**-**	39915143
Security Deposits with HPSEB, HPSIDC & Others	**3324847**	3318847
HPSIDC, Shilma	**6049**	6049
Prepaid Expenses	**1954616**	2382535
Advance Tax	**3070000**	10550000
T.C.S./ T.D.S	**890074**	935523
MAT Credit Entitlement	**11550000**	11550000
Total (Rs.)	**54892885**	83971806

Particulars	**As at 31.3.2009**	As at 31.3.2008
SCHEDULE 'G' : CURRENT LIABILITIES AND PROVISIONS		
A. Current Liabilities:		
Sundry Creditors		
Creditors for Raw Materials / Stores & Spares etc.	**136153694**	41931751
Creditors for Capital Work	**89844569**	35612400
Share Application Money Pending Refund	**25553**	25553
Advances from Customers	**5052998**	1072149
Security Deposit From Suppliers	**15000000**	0
Security Deposit From Customers	**23078602**	7238844
	269155416	85880697
B. Provisions:		
Expenses Payable & Other Liabilities	**28689462**	21952874
Interest Accrued but not Due on Term Loans	**96265**	121935
Provision for Taxation	**614000**	11975000
	29399727	34049809
Total (Rs.)	**298555143**	119930506

Schedules attached to and forming part of Balance Sheet as at March 31, 2009

Particulars	**As at 31.3.2009**	As at 31.3.2008

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

Raw Materials :		
Opening Stock	**47289311**	12481039
Add : Purchases	**533031942**	344490030
	580321253	356971069
Less : Closing Stock	**37479802**	47289311
Raw Materials Consumed	**542841451**	309681758
Fuels:		
Opening Stock	**18019487**	11049190
Add : Purchases	**318457828**	85473958
	336477315	96523148
Less : Closing Stock	**69289833**	18019487
Fuel Consumed	**267187482**	78503660
Chemicals:		
Opening Stock	**5129267**	2796201
Add : Purchases	**381707194**	117691988
	386836461	120488189
Less : Closing Stock	**20495324**	5129267
Chemical Consumed	**366341137**	115358922
Total (Rs.)	**1176370070**	503544341

SCHEDULE 'I' : MANUFACTURING EXPENSES

Wages	**22654998**	4203018
Production Staff Salaries	**32876325**	16502732
Bonus to Workers	**1965297**	1841425
Leave Encashment to Production Staff	**1079021**	339446
PF & Administrative Charges	**6813034**	3309912
E.S.I.	**1728085**	829768
E.D.L.I. Charges	**259841**	140783
Machinery Repairs & Replacements	**26147237**	16540661
Consumable Stores & Electric Repairs	**26389612**	15415142
Power	**96326920**	81171767
Sheet Cutting Charges	**1972455**	112460
Ash Clearing Expenses	**3753956**	1235118
Total (Rs.)	**221966781**	141642232

Schedules attached to and forming part of Balance Sheet as at March 31, 2009

Particulars	**As at 31.3.2009**	As at 31.3.2008
SCHEDULE 'J' :ADMINISTRATIVE, SELLING & OTHER EXPENSES		
Directors' Remuneration	**17108787**	12660000
Salaries	**11478484**	6397225
Conveyance Allowance	**116681**	141942
Furniture Allowance	**256904**	0
Directors' Meeting Fees	**75000**	57500
Labour & Staff Welfare	**1153624**	512779
Bonus to Staff	**594341**	537767
Leave Encashment to Staff	**475897**	207993
Gratuity	**3154074**	1984545
Traveling & Conveyance		
- Directors	**1020032**	248723
- Others	**1742059**	815797
Rent	**749785**	212280
Water & Electricity Expenses	**86011**	103532
Postage & Courier	**355053**	240252
Printing & Stationery	**887989**	568864
Telephone Expenses	**2555913**	1904011
Legal & Consultancy Expenses	**1619549**	398441
Vehicle Running & Maintenance		
- Directors	**984001**	805493
- Others	**1395679**	1122626
Scooter/ M.Cycle Running & Maintenance	**192635**	112285
Testing Charges	**175637**	111259
Tractor Running & maintenance	**1129397**	285155
Bus Running & Maintenance	**1097744**	0
Repairs & Maintenance		
- Building	**410998**	880803
- Misc. (Net)	**1383761**	558478
Insurance	**3680216**	1730866
News Papers & Periodicals	**10123**	10890
Auditors Remuneration		
- Statutory Audit	**132360**	112360
- Audit Expenses	**98837**	65090
Cost Audit	**42526**	26966
Internal Audit	**267192**	134832
Bank Charges	**3548257**	744864
Filing Fees	**30500**	16116
Fees and Taxes	**2241620**	1528614
Subscription	**52898**	87989
Lease Rent Expenses	**177314**	71938
E.T.P. Expenses	**202679**	573006
Training and Seminar Expenses	**28100**	17125
Banking Cash Transaction Tax	**177485**	91099
Club Fee for Director	**20000**	0
Donation U/S 80 G	**125000**	61000
Compensation	**50500**	0
Advertisement & Publicity	**528042**	885954
Business/ Sales Promotion	**37553**	32564
Commission Paid	**6931589**	2110789
Rebate & Discount (Net)	**12191165**	5981475
Freight & Forwarding (Net)	**3998796**	1485779
Packing Material Consumed	**21753557**	12837506
Total (Rs.)	**106526344**	59474572

Schedules attached to and forming part of Balance Sheet as at March 31, 2009

Particulars	As at 31.3.2009	As at 31.3.2008
SCHEDULE 'K' : INTEREST		
On Working Capital	**22521268**	12291431
On Term Loans	**86680105**	6081232
Others	**1382095**	356704
Total (Rs.)	**110583468**	18729367

Particulars	As at 31.3.2009	As at 31.3.2008
SCHEDULE 'L' : SALES		
Finished Goods	**1608149722**	837137604
Raw Material	**3620067**	0
	1611769789	837137604

Particulars	As at 31.3.2009	As at 31.3.2008
SCHEDULE 'M' : OTHER INCOME		
Profit on sale of Assets (Net)	**21994**	136028
Short & Excess Recoveries	**30457**	3501
Biomass Cogeneration Subsidy	**12000000**	0
Interest Received	**3171357**	3655312
Total (Rs.)	**15223808**	3794841

Particulars	As at 31.3.2009	As at 31.3.2008
SCHEDULE 'N' : INCREASE / (DECREASE) IN STOCKS OF WORK-IN-PROCESS AND FINISHED GOODS		
Stocks at close		
- Finished Goods	**41982092**	11622095
- Semi Finished Goods and Goods in process	**22026000**	12787550
	64008092	24409645
Less: Stocks at commencement		
- Finished Goods	**11622095**	7709979
- Semi Finished Goods and Goods in process	**12787550**	11812500
	24409645	19522479
Net Increase/(Decrease) on Stocks	**39598447**	4887166

SCHEDULE O : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF ACCOUNTS AS ON 31ST MARCH 2009.

1. **Significant Accounting Policies**

A. Basis for preparation of accounts

i) The financial statements have been prepared to comply in all material respects with the mandatory Accounting Standards issued by the Institute of Chartered Accountants of India and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared under the historical cost convention using accrual method of accounting in accordance with the generally accepted accounting principals.

ii) Accounting policies not specifically referred to otherwise are consistent with generally accepted accounting principles followed by the Company.

B. Fixed Assets and depreciation

i) Fixed Assets are stated at cost of acquisition or revalued amount less accumulated depreciation. Net increase in the fixed assets on account of revaluation is credited to the revaluation reserve account. All costs including financing cost till commencement of commercial production attributable to fixed assets are capitalized.

ii) Depreciation on fixed assets other than vehicles and furniture is provided on straight line method at the rates and in the manner prescribed in schedule XIV of the Companies Act, 1956. Depreciation on vehicles and furniture has been provided on written down value method.

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

iv) The difference in depreciation on revalued amount and the depreciation on the original cost of such assets calculated in accordance with section 205(2) of the Companies Act, 1956 is transferred from Revaluation Reserve to the credit of Depreciation Account.

C. Valuation of Inventories

i) Inventories are valued at the lower of cost and net realizable value. The cost is computed on First In First Out (FIFO) basis.

ii) Cost for the purpose of valuation of finished goods and goods in process is computed on the basis of cost of material, labour and other related overheads.

iii) Scrap stock is valued at estimated realizable value.

D. Revenue recognition

i) Revenue is recognized to the extent that is probable that the economic benefit will flow to the Company and the revenue can be reliably measured.

ii) Sales are recognized when goods are supplied and the significant risks and rewards or ownership of the goods have passed to the buyer.

E. Foreign Currency Transactions

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

F. Employees Retirement Benefits

i) Company's contribution to Provident Fund, Employee's Deposit Linked Insurance Scheme and Employees State Insurance Fund are made in accordance with the provisions of the Employee Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance Act, 1948 and is treated as revenue expenditure.

ii) Gratuity is charged to Profit & Loss Account on the basis of actuarial valuation

iii) Leave Encashment is accounted for on Accrual Basis.

G. Borrowing Costs

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

H. Segment Report Policies

The company produces only Paper and accordingly the entire business has been considered as one single segment. Total sales of the Company is in the Domestic Market which is exposed to same Risks & Returns, hence no different geographical segments has been identified.

I. Earnings/(Loss) per Share

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

J. Income Taxes

Tax expense comprises both current and deferred taxes. Deferred Income Taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of early years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance date. Deferred tax assets are recognized only to the extant 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 deprecation 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 extant that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

K. Impairment of Assets

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

L. Provisions, Contingent Liabilities & Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be out flow of resources. Contingent liabilities are not recognized but are disclosed in the notes. Contingent assets are neither recognized nor disclosed in the financial statements.

M. Research & Development

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

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

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

2. Notes on Accounts

A. Contingent Liabilities not provided for

(Rs. In Lacs)

S. No.	Particulars	31-03-2009	31-03-2008
A	In respect of various demands raised, which in the opinion of the Management are not tenable and are under appeal at various stages:		
	i Excise Matter	310.89	310.89
B	Estimated amount of contracts remains to be executed on capital account (Net of advances)	5.10	84.99
C	Guarantees and Letter of Credit given by the bank on behalf of the company	341.10	247.43

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

C. The working capital limits (Fund Based and Non Fund Based)from banks are secured by first Parri Passu charge on current assets of the company both present and future and shall include raw materials, semi finished goods in process, finished goods, stores and spares and book debts of the Company and further secured by personal guarantees of the Managing Director and Whole Time Directors and their relatives. The limits are further secured by second Parri Passu charge on the fixed assets of the company.

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

	Deferred Tax Liability/ (Asset) as at 01.04.2008	**Charge /(Credit) during the Year**	**Deferred Tax Liability/(Asset) as at 31.03.2009**
Deferred Tax Liability			
Difference between book and tax depreciation	83101407	58221825	141323232
Sub Total	83101407	58221825	141323232
Deferred Tax Asset	3414302	62805052	66219354
Sub Total	3414302	62805052	66219354
Net	79687105	(4583227)	75103878

E. The balances appearing under the head sundry debtors/creditors, loans and advances are subject to reconciliation and confirmation.

F. Remuneration paid to Directors during the year is Rs. 1,71,08,787/- (Previous year Rs. 1,26,60,000/-)

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

Anmol Polymers P.Ltd,
ETE Electrogears Pvt. Ltd.
Hira Foundary & Engg. Works
Mactrol Motion Control (P) Ltd.
R.C.Paper Machines,
Unisteel Engineers & Fabricators.
Alcon Wires & Cable Ind,
Tellabs Chemicals Pvt. Ltd.
HI-Tech Engg.India (P) Ltd,
Buland Minerals Haldwani,
Galaxy Sivtek Pvt. Ltd,
IAG Automation Pvt.Ltd,
Modi Nagar Rolls Limited,
Shivas Projects Inidia (P) Ltd.
Vedankur Minerals Pvt. Ltd.
Shreya Paper Tubes (P) Ltd.
Dehra Minerals Corporation
Garuda Vaccum & Ref.Tech.(P)Ltd,
Krishna Speciality Chemical P.Ltd,
Prime Fabrique Workshop,
The Punjab Business & Supply Co. P Ltd,
Vimal Machine Tools,
JMD Polymers,

H. Segment Information

The company operates in only one main segment i.e. manufacturing of Paper. Since the company has one reportable business segment and geographical segment, no further disclosure is required under Accounting Standard 17 on Segment reporting.

I. Related Party Disclosures

i) Names of Related Parties :

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

ii) Transactions with Related Parties

(Rs. in Lacs)

Particulars	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	
	March 31, 2009	**March 31, 2008**
Transactions with Jasmer Pack		
Sale of Goods	1814.42	957.08
Purchase of Raw Material	1.63	0.85
Transactions with Ruchira Packaging products Pvt. Ltd		
Sale of Goods	213.30	96.65
Purchase of Packing Material	2.26	1.91

Particulars	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	
	March 31, 2009	**March 31, 2008**
Transactions with Ruchira Printing & Packaging		
Sale of Goods	219.02	190.00
Purchase of Packing Material	55.12	21.60
Transactions with Garg Medical Hall		
Purchase of medicines	0.12	0.14
Transactions with Sh Jatinder Singh		
Salary and Allowances	54.00	39.60
Transactions with Sh Subhash Chander Garg		
Salary and Allowances	54.00	39.60
Transactions with Sh Umesh Chander Garg		
Salary and Allowances	54.00	39.60
Transactions with Sh J.N.Singh		
Salary and Allowances	9.09	7.90
Balance outstanding as at the year end included in Sundry Debtors		
Jasmer Pack	126.01	116.32
Ruchira Packaging products Pvt. Limited	55.09	30.63
Ruchira Printing & Packaging	69.64	25.26
Garg Medical Hall	0.00	0.09

J. Particulars of Payments to Auditors

	Current Year	Previous Year
Audit Fees	Rs. 1,32,360/-	Rs. 1,12,360/-
Expenses	Rs. 23,487/-	Rs. 15,765/-

K . Earning/(Loss) per Share

		March 31, 2009	**March 31, 2008**
A	Net Profit/(Loss) after Tax	(15944052)	71678619
	Dividend	-	-
	Profit available for Equity Shareholders	-	71678619
B	Weighted Average number of Equity Shares of Rs. 10/- each	22421804	22421804
C	Basic Earning per Share	(0.71)	3.20
D	Diluted Earning per Share	(0.71)	3.20
E.	Earning per Share before	(0.71)	3.20

L. The Previous Year figures have been reworked, regrouped where ever necessary to confirm to this years classification.

Information pursuant to the provision of paragraph 3,4C and 4D of Part II of schedule VI of the Companies Act ,1956 is given hereunder for the year ended 31.03.2009

1 Quantitative details of capacities,production,sales etc.

Class of Goods Manufactured Liner Kraft Paper , Writing & Printing Paper

2

Particulars	**2008-2009**		2007-2008	
	Licensed	Installed	Licensed	Installed
Capacity (TPA)	N.A.	85800	N.A.	85800
Production (M.T.)		65996.453		46000.375
Opening Stock	**Qty.(M.T.)**	**Value (Rs)**	Qty.(M.T.)	Value (Rs)
Finished Goods	**710.653**	**11622095**	497.418	7709979
Semi Finished Goods	**928.200**	**12787550**	875.000	11812500
Sales - Finished Goods	**65107.919**	**1608149722**	45787.140	837137604
Sales - Raw Material	**453.099**	**3620067**	-	-
Closing Stock				
Finished Goods	**1581.078**	**41982092**	710.653	11622095
Semi Finished Goods	**1146.000**	**22026000**	928.200	12787550
Job Work (Sheet Cutting)				
Scrap Generated	**11.714**	**-**	-	-
Shortage	**6.395**	**-**	-	-

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

	2008-2009		2007-2008	
	Value	**Percentage**	Value	Percentage
I) Raw Material				
Indigenous	**527818374**	**97.23%**	308344816	99.57%
Imported	**15023077**	**2.77%**	1336942	0.43%
Total	**542841451**	**100.00%**	309681758	100.00%
ii) Chemicals				
Indigenous	**366341137**	**100.00%**	115358922	100.00%
iii) Consumable Store				
Indigenous	**23252171**	**88.11%**	13949363	90.49%
Imported	**3137441**	**11.89%**	1465779	9.51%
	26389612	**100.00%**	15415142	100.00%
iv) Spare Parts (Machinery Repairs and Replacements)				
Indigenous	**26147237**	**100.00%**	16540661	100.00%

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

	2008-2009	2007-2008
Raw Material	36759201	14962931
Consumable Stores	8414843	694610
Machinery	-	126516973

		2008-2009	2007-2008
5	Expenditure incurred in Foreign Exchange on		
	i) Royalty ,know-how,professional and consultation fee	**527734**	960916
	ii) Interest and other matters	**—-**	—-
	iii) Foreign Traveling	**176855**	—-
	iv) Dividend	—-	—-
	v) Store & Spares advances	**928038**	2231116
	vi) Machinery Purchase	**8126403**	103356116
6	Earning in Foreign Exchange on account of		
	i) Export of goods on FOB basis	**—-**	—-
	ii) Royalty, known how,professional,and consultation fee	**—-**	—-
	iii) Interest and dividend etc.	**—-**	—-
	iv) Other income including the nature thereof	**—-**	—-

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

For and on behalf of the Board

Jatinder Singh
Chairman Cum
Whole Time Director

Umesh Chander Garg
Managing Director

Hussan Kumar
Company Secretary

Auditors' Report
Certified in terms of our separate report of even date.

(I.C. Goel, F.C.A.) Partner
For J.L.Garg & Co.,
Chartered Accountants
Membership No. 004631

Railway Road,
Jagadhri.
Dated : 30.07.2009

BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE

1 Registration Details:

Registration Number	4336	State Code	06
Balance Sheet Date	31/03/2009		

2 Capital Raised during the year (Amount in Rs in thousands)

Public Issue	Right Issue
Nil	Nil
Bonus Issue	Private Placement
Nil	Nil

3 Position of Mobilization & Deployment of Funds (Amount in Rs in thousands)

Total Liabilities	Total Assets
2120900	2120900

Sources of funds

Paid up Capital	Reserve and Surplus
224218	406757
Secured Loan	Unsecured Loans
1383741	31080
Deferred Tax liability	
75104	

Application of funds

Net Fixed Assets	Investments
1886071	Nil
Net Current Assets	Misc.Expenditure
234712	117

4 <u>Performance of Company (Amount in Rs '000')</u>

Turnover	Total Expenditure
1611770	1631448
Profit/(Loss) before Tax	Profit/(Loss) after Tax
(19678)	(15944)
Earning/(Loss) per Share (In Rs.)	Dividend rate (%)
Basic Diluted	Nil
(0.71) (0.71)	

5 Generic names Principal Product(s)/Services of Company (as per monetary terms)

Product Description	Item Code No.
Liner Kraft Paper	4804
Writing & Printing Paper	4802

For and on behalf of the Board

Jatinder Singh	**Umesh Chander Garg**	**Hussan Kumar**
Chairman Cum	Managing Director	Company Secretary
Whole Time Director		

Auditors' Report
Certified in terms of our separate report of even date.

(I.C. Goel, F.C.A.) Partner
For J.L.Garg & Co.,
Chartered Accountants
Membership No. 004631

Railway Road,
Jagadhri.
Dated : 30.07.2009

RUCHIRA PAPERS LIMITED

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

ATTENDANCE SLIP

Regd.Folio No(s)/ DP & Client ID_____

No. of Shares_____

Name of Shareholder/Proxyholder/Representative_____

Address_____

I hereby record my presence at the Annual General Meeting of the Company being held at Hotel Black Mango, Nahan Road, Kala-Amb, Distt. Sirmour (H.P.) 173030 on Saturday 18th day of September, 2009.

(Signature of the member)

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

(Signature of the Proxy)

…… Tear Here.....……..

RUCHIRA PAPERS LIMITED

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

PROXY FORM

Regd.Folio No(s)/ DP & Client ID_____

No. of Shares_____

I/We _____ of_____ being a member/members of Ruchira Papers Limited, hereby appoint_____of _____ in the district of _____ or failing him _____ of _____in the district of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on Friday,18th day of September, 2009 at 3:00 PM or any adjournment thereof.

One Rupees Revenue Stamp

Signature_____

Signed this _____ day of_____2009.

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

BOOK-POST

To

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