

<b>Contents</b>	<b>Page No.</b>
Notice	3
Directors' Report	7
Management Discussion and Analysis	12
Corporate Governance	14
Auditors' Report	20
Balance Sheet	23
Profit and Loss account	24
Cash flow Statement	25
Schedules and Notes	26
Balance Abstract	39



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## **BOARD OF DIRECTORS**

### **Chairman cum Whole Time Director**

Subhash Chander Garg

### **Co-Chairman cum Whole Time Director**

Jatinder Singh

### **Managing Director**

Umesh Chander Garg

### **Independent Directors**

Dalbir Singh

Surinder Gupta

Swatantar Kumar Dewan

Col(Retd) Avtar Singh Bajwa

### **Company Secretary**

Hussan Kumar

### **Registered Office & Works**

Trilokpur Road, Kala Amb,

Distt. Sirmour

Himachal Pradesh-173030

### **Administrative Office**

21-22, New Professors Colony,

Yamuna Nagar-135001

Haryana

### **Auditors**

J.L. Garg & Co.

Chartered Accountants

Head Office : J-34, Lower Ground Floor

South Extension Part-1

New Delhi-110049

Branch Office : Railway Road,

Jagadhri ( Haryana)-135003

### **Registrar & Transfer Agent**

Link Intime India Pvt. Ltd.

C-13, Pannalal Silk

Mills Compound,

LBS Road, Bhandup(W)

Mumbai-440078.

Delhi Branch

A-40, 2nd floor

Near Batra Banquet Hall

Naraina Industrial Area

Phase - II New Delhi-110028

## **Senior Executives**

Deepan Garg VP (Tech)

Jagdeep Singh VP (Operation)

Daljeet Singh VP (Commer.)

Lucky Garg VP (MKT)

Vaishali Jhaveri VP (MKT)

Radhika Garg VP (MKT)

Vipin Gupta GM (Finance)

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**THE PAPER USED FOR PRINTING OF THIS ANNUAL REPORT IS MANUFACTURED IN YOUR COMPANY**

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## NOTICE

Notice is hereby given that the 31ST ANNUAL GENERAL MEETING of the Members of RUCHIRA PAPERS LIMITED will be held at Hotel Black Mango, Nahan Road, Kala-Amb, District Sirmour, Himachal Pradesh on WEDNESDAY, the 28th Day of September, 2011 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, 2011, 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 Swatantar Kumar Dewan, who retires from the office by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Col(Retd) Avtar Singh Bajwa, who retires from the office by rotation and being eligible, offers himself for re-appointment.
4. To Consider and if thought to pass with or without modification(s), the following resolution as an ordinary Resolution

“ RESOLVED THAT M/S J.L. Garg & Co., Chartered Accountants ( ICAI Reg No. 004730N), who retire at the conclusion of this Annual General Meeting, be and are hereby appointed as Statutory Auditors of the Company till the conclusion of the next Annual General Meeting at a remuneration of Rs 1,60,000/- plus service tax and other out of pocket expenses as admissible as recommended by the Audit Committee.”

### **Special Business:**

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 Section 198, 269, 309, 310, 311, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including statutory modification or re-enactment thereof for the time being in force and pursuant to the Articles of Association of the Company, Shareholders hereby approve, confirm and ratify the re-

appointment of Shri Jaleshwar Narain Singh as Executive Director of the Company for the period of 11.02.2011(date of re-appointment) to 09.06.2011( date of resignation) and the payment of remuneration for that period as set out below :

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

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** vacancy, for the time being in the Board, caused by the resignation of Shri Jaleshwar Narain Singh will not be filled.”

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 including statutory modification or re-enactment thereof for the time being in force and as may be enacted from time to time and subject to such approvals, permissions and sanctions, the consent of the Company be and is hereby accorded to Miss Radhika Garg to hold an office or place of profit under the Company as a Vice-President Marketing or with such designation as the Board of Directors of the Company may , from time to time, decide upon a monthly remuneration and terms mentioned below :

- (a). Basic Salary Rs 43,000( Forty Three Thousand Only) plus HRA 15% Per Month.

- (b). During her tenure , she will be governed by the Rules and Regulations of the Company as may be applicable to the employees of the Company from time to time.
- (c) The revision of remuneration will be effective only after obtaining all approvals in this regard.

RESOLVED FURTHER THAT the Board of Directors has the liberty to alter and vary such remuneration within the limits specified under Section 314(1)(b) of the Companies Act,1956, to effect change in designation and responsibilities of Miss Radhika Garg”

**Regd. Office :**

Trilokpur Road,  
Kala Amb.  
Distt: Sirmour (HP) 173030

**By order of the Board**

Hussan Kumar  
Company Secretary

Place : Kala – Amb (HP).  
Date : 29<sup>th</sup> July, 2011.

**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. In terms of Section 109A of the Companies Act, 1956, the shareholders of the Company may nominate a person on whom the shares held by him/her/them shall vest in the event of his/her/their death. Shareholders desirous of availing this facility may submit nomination in Form 2B.
4. Information required under clause 49 IV(G)(i) of the Listing Agreement ( related to Corporate Governance) with respect to Directors Retiring by rotation and being eligible, seeking re-appointment is given as Annexure “A” to this Notice.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, the 22<sup>nd</sup> September, 2011 to Wednesday, the 28<sup>th</sup> September, 2011 (both days inclusive).

6. 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.
7. 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.
8. 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.
9. 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.
10. It may please be noted that pursuant to amendment to the listing Agreement-Clause 11 vide SEBI's circular dated May, 20, 2009, it has now become mandatory for the transferee(s) to furnish copy of their PAN card to the Company/RTA for registration of transfer in physical form.
11. 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.

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

**ITEM NO. 5**

As the term of the office of Shri Jaleshwar Narain Singh, Executive Director was ending on 11.02.2011, The Board of Directors in their meeting held on 31<sup>st</sup> January, 2011 had recommended the re-appointment of Shri Jaleshwar Narain Singh, Executive Director of the Company for further two years , subject to the members approval, but owing to his own commitments Shri Jaleshwar Narain Singh has expressed his unwillingness to serve with your Company further anymore and the Board of Directors in their meeting held on 29<sup>th</sup> July, 2011 had accepted his resignation. The re-appointment and remuneration paid for the period from 11.02.2011 to 09.06.2011 are to be approved, confirmed and ratified by the members. No other Director of the Company is concerned or interested in the Resolution.

**ITEM NO. 6**

To explore and increase further business potentialities in Delhi Region , the Board of Directors in their meeting held on 31<sup>th</sup> January, 2011 had appointed Miss Radhika Garg as Vice President Marketing (Delhi Region) at a monthly remuneration of Rs. 8855 (Basic Salary 7700+ HRA 15%). Miss Radhika Garg is B.S.L, Post Graduation in Public Relations & Corporate Communications and has experience of more than 3 years in service Industry.

Now, it is being proposed to increase the monthly remuneration to Rs 49450/- ( Basic Salary 43000 + HRA 15%) as the experience and knowledge of Miss Radhika 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 commend the resolution for your approval.

Shri Subhash Chander Garg, Chairman-cum-Whole-Time Director, and Shri Umesh Chander Garg, Managing Director are interested in the Resolutions, being father and father's brother . No other Director of your Company is concerned or interested in this Resolutions.

**Regd. Office :**  
Trilokpur Road,  
Kala Amb.  
Distt: Sirmour (HP) 173030

**By order of the Board**

Place : Kala – Amb (HP).  
Date : 29<sup>th</sup> July, 2011.

Hussan Kumar  
Company Secretary

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

<b>Particulars</b>	<b>Shri Swatantar Kumar Dewan</b>
<b>Date of Birth</b>	11-11-1946
<b>Date of Appointment</b>	13-08-2005
<b>Qualifications</b>	B.SC. (Engineering) Hons.( Mechanical)
<b>Expertise in Specific functional area</b>	Operations.
<b>Directorship of other companies (excluding foreign companies)</b>	NIL
<b>Chairman/ Member of committees of the Board of Companies of which he is a director.</b>	<i>Chairman</i> Share Transfer & Investors' Grievance Committee
<b>Shareholding of Non-Executive Directors as stated in Clause 49 (IV) (E) (V) as on 31.03.2011</b>	100

<b>Particulars</b>	<b>Col( Retd.) Avtar singh Bajwa</b>
<b>Date of Birth</b>	12.06.1944
<b>Date of Appointment</b>	24.09.2004
<b>Qualifications</b>	Graduate in Arts
<b>Expertise in Specific functional area</b>	Material Management and Civil Personnel Management
<b>Directorship of other companies (excluding foreign companies)</b>	Nil
<b>Chairman/ Member of committees of the Board of Companies of which he is a director</b>	Member of Audit Committee Member of Remuneration Committee
<b>Shareholding of Executive Directors as stated in Clause 49 (IV) (E) (V) as on 31.03.2011</b>	100

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 31<sup>st</sup> Annual Report together with the Audited Statement of Accounts for the year ended 31<sup>st</sup> March, 2011.

### FINANCIAL RESULTS

The summarized financial results of the company for the year 2010-11 are as follows:

Particulars	Rs. in Lacs	
	2010-2011	2009-2010
Sales	25434.46	19970.08
Other Revenue Receipts	127.14	79.35
Profit (Before Interest, Depreciation & Taxes)	3389.04	1937.00
Less : Depreciation	1060.86	1029.00
Interest	1740.82	1599.56
Profit/(Loss) before Tax	587.36	(691.56)
Less: Provision for Tax	199.65	(260.50)
Net Profit /(Loss)after Tax	387.71	(431.060)
Transfer to/Adjustment from Reserve	387.71	(431.06)

### RESULT OF OPERATIONS

The Company has taken in-house measures to increase the efficiency for achieving the economies of scale. The Company was able to increase capacity utilization from 87.40% in the previous year to 99.50% during the period under review. Sales Turnover of the Company registered a growth of 27.36% over the previous financial year at Rs. 25434.46 Lacs compared to Rs. 19970.08 Lacs in corresponding previous year. The operating profit (EBIDTA) of the Company increased by 74.96% and grew from Rs.1937.00 Lacs in previous period to Rs. 3389.04 Lacs in the year under review. The company has added value products in Writing & Printing Paper unit.

### DIVIDEND

In order to conserve the resources to strengthen the financial base of the company and to meet the increased funds requirement for the smooth operations of the Company for further growth, Your directors do not recommend any dividend for the year ended 31<sup>st</sup> March, 2011.

### EXPANSION

The Company has been taking steps to consolidate the production for achieving the economies of scale. Accordingly, the Company has not taken up any major expansion during the year under review.

### 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 Section 255 of the Companies Act, 1956 and the Articles of Association of the Company, Col(Retd) Avtar Singh Bajwa and Shri Swatantar Kumar Dewan, Directors of the Company will retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

As the term of the office of Shri Jaleshwar Narain Singh, Executive Director was ending on 11.02.2011, The Board of Directors in their meeting held on 31<sup>st</sup> January, 2011 had recommended the re-appointment of Shri Jaleshwar Narain Singh, Executive Director of the Company for further two years with effect from 11.02. 2011, subject to the members approval, but owing to his own commitments Shri Jaleshwar Narain Singh has expressed his unwillingness to serve with your Company further anymore and the Board of Directors in their meeting held on 29<sup>th</sup> July, 2011 accepted his resignation w.e.f 09.06.2011. The Board appreciated his contribution towards the development of the Company.

### FIXED DEPOSITS

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

### 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. Your company fully conforms to the standards set out by the Securities and Exchange Board of India and other regulatory authorities and has implemented and complied with its entire major stipulations. The requisite certificates issued by Practicing Company Secretary confirming compliances as required under listing agreements are submitted to NSE & BSE quarterly & half yearly.

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 within this Annual Report.

### AUDITORS

M/s J.L. Garg & Co., Chartered Accountants (Firm Reg No. 004730N), Delhi-Jagadhri, Statutory Auditors of the Company, retire at the conclusion of ensuing Annual General Meeting. They have signified their willingness to accept re-appointment and have further confirmed their eligibility under Section 224(1 B) and that they do not suffer any disqualification within the meaning of Section 226 of the said Act.

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

#### **AUDITORS' REPORT**

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

#### **COST-AUDIT**

To comply with the provisions of Section 233 B of the Companies Act, 1956, the Board of Directors, after receipt of approval from the Central Government, has re-appointed M/s Sanjay Kumar Garg & Associates, Cost Accountants as Cost Auditors of the Company for the financial year 2011-12.

#### **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**

Cordial employee relations were maintained throughout the year in the Company. The Directors express their appreciation for the contribution made by the employees to the operations of the Company during the year.

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. However, as per the provisions of section 219(b)(iv) of the said Act, the report and accounts are being sent to all the members of the Company excluding the aforesaid information. This statement shall be made available for inspection by any member during working hours for period of 21 days before the date of Annual General Meeting. Any member interested in obtaining such particulars may write to Company Secretary at the registered office of the Company.

#### **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, 2011 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 31<sup>st</sup> March, 2011 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**

**Subhash Chander Garg**  
Chairman

Place: Kala-Amb  
Dated: 29<sup>th</sup> July, 2011

**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 Directors' Report for the period ended 31<sup>st</sup> March, 2011.

**A) CONSERVATION OF ENERGY**

- a) Energy conservation is continued to be an important thrust area for the Company and is continuously monitored. Various Energy Conservation Measures Taken were
- i) Installation of VFD (Variable Frequency Drives) in the sectional drives in the Paper Machine, Boiler and Pulp mill, where the throttling is required and major saving has been observed.
  - ii) 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 .
  - ii) Installation of CFL's (Compact Fluorescent Lamp) and use of natural light in place of conventional tube light and bulbs.
  - iv) Replacement of outdated energy intensive equipments
  - v) Revamping of steam lines for reusing of escaping steam.
- b) The company has devised a system of regular energy audit. Energy conservation is an on ongoing process and new areas are continuously identified and suitable investments are made, wherever necessary.
- c) The adoption of energy conservation measures has helped the company in reduction of cost.
- d) Total Energy Consumption and Energy Consumption per unit of production of paper of the paper for the year 2010-11 is given in the table below.

Information is given in the prescribed Form "A" annexed.

**B) TECHNOLOGY ABSORPTION**

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

**C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

- f) Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans. The Company has developed markets in Nepal, Israel and USA. Further potentialities are being explored to increase and develop the export market.
- g) Total Foreign Exchange used and earned:

**i) Expenditure in foreign exchange on account of**

*(Rs. in Lacs)*

	<b>Particulars</b>	<b>2010-11</b>	<b>2009-10</b>
(i)	Royalty , Knowhow , professional and consultation fees	Nil	Nil
(ii)	i) Interests	Nil	Nil
	ii) Other Matters		
	- Raw Materials & Consumable Stores	627.86	747.00
	- Capital Expenditure (on CIF Basis)	-	
(iii)	Foreign Traveling	Nil	Nil
(iv)	Store & Spares (Including Advances)	25.97	65.40
(v)	Plant & Machinery	Nil	Nil

**ii) Earnings in foreign exchange on account of :**

	<b>Particulars</b>	<b>2010-11</b>	<b>2009-10</b>
(i)	Export of Goods on FOB basis	192.23	34.82
(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.**

<b>A.</b>	<b>POWER AND FUEL CONSUMPTION</b>	<b>2010-11</b>	<b>2009-10</b>
<b>1.</b>	<b>Electricity</b>		
	a) Purchased		
	Units ( KWAH)	25275256	26200889
	Total Amount ( Rs.)	111775347	96478183
	Rate per Unit ( Rs.)	4.42	3.68
	b) Own Generation		
	i) Through Diesel generator	Nil	Nil
	Total Units generated	Nil	Nil
	Units per litre of diesel	Nil	Nil
	Cost per unit generated (Rs.)	Nil	Nil
	ii) Through Steam Turbine/Generator		
	Units	48358414	43465371
	Units per Ltr. Of fuel oil/ gas	Nil	Nil
	Cost / units	Nil	Nil
<b>2.</b>	<b>Coal (specify quantity and where used)</b>		
	Quantity ( ton )	50347.258	45843.253
	Total Cost(Rs Lakhs)	2863.65	2357.04
	Average Rate - P/T	5688	5142
	<b>Used in Boiler</b>		
<b>3.</b>	<b>Furnace Oil (used is Boiler)</b>		
	Quantity ( K.ltrs)	335.480	820.630
	Total amount (Rs. in Lacs)	104.89	206.42
	Average Rate	31264	25154
<b>4.</b>	<b>Others / internal Generation :</b>		
	a) Rice Husk ( M.T.)	34425.000	23381.50
	Cost ( Rs. Lakhs)	1304.12	754.03
	b) Baggasse (M.T.)	-	-
	c) Saw Dust (M.T.)	208.421	974.169
	Cost for (b) + (c) ( Rs. Lakhs)	5.72	22.80
	d) Mustard Husk (MT)	-	-
	Cost ( in Lakhs)	-	-
	e) Boier Fuel	24957.04	22311.09
	Cost ( in Lakhs)	431.23	353.60
	<b>Total Fuel Cost ( in Lakhs)(2+3+4)</b>	<b>4709.61</b>	<b>3693.89</b>
<b>B.</b>	<b>CONSUMPTION PER UNIT OF PRODUCTION</b>		
	a. <i>Liner Kraft Paper</i>	2010-11	2009-10
	Production (M.T.)	50014.047	43594.401
	Electricity ( in Units) per Ton of production	485.71	549.03
	Furnace oil	Nil	Nil
	Coal ( specify)	Nil	Nil
	Others ( specify)	Nil	Nil
	a. b) <i>Writing &amp; Printing Paper</i>		
	Production (M.T.)	35066.586	31134.009
	Electricity ( in Units) per Ton of production	1407.07	1468.86
	Furnace oil	Nil	Nil
	Coal ( specify)	Nil	Nil
	Others ( specify)	Nil	Nil

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

	<i>Research and Development (R&amp;D)</i>	
1.	Specific areas in which R&D carried out by the Company.	None
2.	Benefits derived as a result of the above R&D.	None
3.	Future plan of action.	None
4.	Expenditure on R&D a) Capital b) Recurring c) Total d) Total R&D expenditure as a percentage of total turnover. <i>Technology absorption, adaptation and innovation</i>	Nil Nil Nil Nil
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, 2011**

Persons employed for full/ part of the year ended March 31, 2011 who were in receipt of remuneration which in the aggregate was not less than Rs. 24,00,000 p.a. / Rs. 2,00,000 p.m. respectively.

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

Sl. No.	Name of	Nature of Employment	Education & Experience	Nature of duties	% of share Holding	Age (Yrs)	Gross Remuneration (Rs.) p.a.	Previous Employment & Designation
1	Sh. Umesh Chander Garg Managing Director	As per Articles of Association for a period of 5 years.	Pre-University 29 years	Technical and Operation	5.22	62	5400000	Ruchira Papers Ltd. since 8.12.1980
2	Sh. Subhash Chander Garg Whole Time Director	As per Articles of Association for a period of 5 years.	B.A., L.L.B 29 years	Marketing and Company Law matters	5.57	70	5400000	Ruchira Papers Ltd. since 8.12.1980
3	Sh. Jatinder Singh Whole Time Director	As per Articles of Association for a period of 5 years.	B.Sc. (Engineering) 29 years	Finance and Administration	8.33	56	5400000	Ruchira Papers Ltd. since 8.12.1980

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## **MANAGEMENT DISCUSSION AND ANALYSIS** **(F.Y.2010-11)**

### **OVERALL PERFORMANCE**

The Company has undertaken in-house improvements and innovation to increase the efficiency for achieving the economies of scale. The company has been able to achieve capacity utilization of 99.50% during the year as against 87.40% during the previous year. Even though there was increase in sales and selling price yet increased raw material and fuel cost has dented the profitability of the company during the year. Overall The Company has registered an upward trend in its performance over the previous year, which marks a good sign and mainly attributable on account of:

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

### **INDUSTRY STRUCTURE AND DEVELOPMENT**

The Core business of Ruchira Papers Limited is paper manufacturing. The company started operations in 1983 with the manufacturing of Kraft Paper that is used for packaging, corrugation, core pipes, cones etc. With setting up of 100 TPD Writing and Printing Paper plant in the year 2008, the company has widened its product base in multi-purpose Writing & Printing segment of Paper.

The Indian Paper industry has close linkages with economic growth as higher industrial output leads to increased demand for industrial paper for packaging, increased marketing spends benefits value added segments, and increased education and office activities increase demand for writing and Printing Paper, it has been estimated that economic growth of 8.5% will be achieved during the financial year ending March 2012, which will benefit the demand for paper.

The Indian Paper Industry has demonstrated secular general growth and the consistent rise in demand. The annual growth rate of 5.6% cumulative in paper consumption has been registered over the last five years. According to the Associated Chambers of Commerce and Industry of India Indian Paper Industry is poised to grow and touch 11.5 million tonnes in 2011-12 at the rate of 8% per annum.

The increase in education expenditure will definitely require more Writing & Printing Paper and we anticipate the faster growth rate of Writing and Printing Paper. Indian Paper Manufacturers Association (IPMA) projects that India's demand for paper is expected to double to 20 million tonnes by 2020.

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 Writing & Printing Paper unit, which is also entitled for 100 % excise exemption for next 10 years with effect from 30.03.2008. The company has also installed Captive Power Cogeneration Plant, which helps the company to get the cheap and uninterrupted power supply. The Company has set up Chemical Recovery System to conserve the water and to control water pollution. Further, the location of the factory at the outskirts of Himachal Pradesh helps to get raw material agro residues from the neighboring agricultural rich states of Haryana and Punjab.

Threats: Due to liberalization in paper sector, foreign companies have also been allowed an entry. Cheap imports from China and Indonesia is a challenge faced by Paper Industries. There is a perception of The U.S. imposing high anti-dumping duty on several varieties of Chinese paper being imported to the U.S., Chinese producers may be looking at India more seriously as an alternative market.

### **PRODUCT ANALYSIS**

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

The company has widened its product base in commonly used Writing & Printing Paper by setting up Writing and Printing Paper unit. The company has been able to add quality products in writing & Printing Paper. The copier segment is the fastest growing segment in the industry. The domestic prices of paper are expected to increase in the short term, but not to the extent of rise in raw material prices. The mill would find it difficult to pass on the entire increase in raw material prices because of market forces.

### **RISK AND CONCERNS**

Risk is inseparable from business. Nonetheless, the company has undertaken a number of initiatives to mitigate risk impact through continuous risk identification and management. The paper industry is labour intensive, Power intensive as well as capital intensive and exposed to several risks i.e. changes in the governmental policies, duties and taxes, technological obsolescence and external factors. The company uses agro waste material as basic raw material to manufacture paper. The availability of raw material is dependent upon reasonably good monsoon. Non availability of key raw material resources may inflate procurement costs, impact production and affect profitability. The Company enjoys flexibility which enables the company to switch its raw material mix in favour of those which are available cost-effectively.

### **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

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

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

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

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

### **FINANCIAL PERFORMANCE**

Sales of the Company registered a growth of 27.36% over the previous financial year at Rs. 25434.46 Lacs compared to Rs. 19970.80 Lacs in corresponding previous year. The operating profit (EBIDTA) of the Company has grown from Rs. 1937.00 Lacs in previous period to Rs.3389.04 Lacs in the year under review.

### **HUMAN RESOURCES.**

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

### **FORWARD LOOKING STATEMENTS**

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

**Report on Corporate Governance  
(2010-11)**

(Pursuant to Clause 49 of the Listing Agreement)

The Directors present the Company's Report on Corporate Governance for the year ended 31<sup>st</sup> March, 2011.

**1. Company's philosophy on corporate governance:**

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

**2. Board of Directors:**

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

**a. Composition of the Board of Directors:**

The Board has an optimum combination of Executive and Non-Executive directors. 50 % of the Directors are Non-Executive Independent Directors. The Company has four Whole Time Executive Directors to look after finance, projects, and commercial, technical and personnel affairs of the Company. The total number of directors of the Company is 8 as on 31<sup>st</sup> March, 2011 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 2010-11	Attendance at Last AGM ships	No. of Other Directors-hip	Membership of other Board / committee
Mr. Umesh Chander Garg	Managing Director <i>Executive &amp; Promoter</i>	4	Yes	2	2
Mr. Subhash Chander Garg	Whole Time Director <i>Executive &amp; Promoter</i>	3	Yes	Nil	1
Mr. Jatinder Singh	Whole Time Director <i>Executive &amp; Promoter</i>	4	Yes	Nil	Nil
Mr. Jaleshwar Narain Singh	Executive Director <i>Executive</i>	3	Yes	Nil	Nil
Mr. Dalbir Singh	<i>Non-Executive Independent</i>	4	Yes	Nil	Nil
Mr. Surinder Gupta	<i>Non-Executive Independent</i>	4	Yes	Nil	Nil
Col (Retd) Mr. Avtar Singh Bajwa	<i>Non-Executive Independent</i>	4	No	Nil	Nil
Mr. .S.K.Dewan	<i>Non-Executive Independent</i>	4	No	Nil	Nil

**c. Date and Number of Board Meetings held:**

During the year ended 31<sup>st</sup> March, 2011, Four meetings of the Board of Directors were held on 30.04.10, 27.07.10, 27.10.10 and 31.01.11.

### 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 31<sup>st</sup> March, 2011 is as follows:

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

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

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

The Audit Committee met four times during the year on 30.04.10, 27.07.10, 27.10.10 and 31.01.11.

### 4. **Remuneration Committee:**

Terms of reference:

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

The Composition of the committee is as follows:

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

The Remuneration Committee met on 30.04.10, 27.07.10, 27.10.10 and 31.01.11.

The Non-Executive Directors are paid sitting fees for attending the meetings of the Board. Other than sitting fees, no other remuneration is paid to the Non-Executive Directors for the year 2010-11. The details of Remuneration of the directors for the financial year ended 31<sup>st</sup> March, 2011 are as follows:

Name	Salary including allowances	Sitting fees	Total
Mr. Subhash Chander Garg	5400000	-	5400000
Mr. Umesh Chander Garg	5400000	-	5400000
Mr. Jatinder Singh	5400000	-	5400000
Mr. Jaleshwar Narain Singh	1080000	-	1080000
Mr. Dalbir Singh	-	30000	30000
Mr. Surinder Gupta	-	30000	30000
Col (Retd.)Avtar Singh Bajwa	-	30000	30000
Mr. Swatantar Kumar Dewan	-	30000	30000

### 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	Designation	Category
1.	Mr. Swatantar Kumar Dewan	Chairman	Independent & Non-Executive
2.	Mr. Jatinder Singh	Member	Non-Independent Executive
3.	Mr. Subhash Chander Garg	Member	Non-Independent Executive

The Committee had met on 30.04.10, 27.07.10, 27.10.10 and 31.01.11. There was no complaint pending at the beginning of the year. The company had received four complaints for non receipt of Annual Report, which were 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:

- Mr. Subhash Chander Garg, Whole Time Director, is the Chairman of the Company and 50 % of the Board comprises of Non-Executive and Independent directors.
- The Company has set up a Remuneration Committee comprising of three Independent Directors. Details of the Committee have already been given above.
- Presently, half yearly financial performance is not being sent to any shareholder.
- The Company does not have a Whistle Blower Policy. All the same, no personnel of the Company has been denied access to the grievance redressal mechanism of the Company.

#### 7. **Means of Communication:**

The quarterly results of the Company were announced within a month of the end of each quarter and such results were published normally in the "The Financial Express" and "Jansatta". The Financial results are also provided on the web site [www.ruchirapapers.com](http://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
2008	06.09.2008	3:00 P.M.	Hotel Black Mango, Nahan Road, Kala-Amb, Distt. Sirmour ( H.P.)-173030
2009	18.09.2009	3:00 P.M.	Hotel Black Mango, Nahan Road, Kala-Amb, Distt. Sirmour ( H.P.)-173030
2010	16.09.2010	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 2009-10.

#### 9. **Shareholders Information:**

- General Shareholder Information:

Annual General Meeting ( Date , time and venue )	28 <sup>th</sup> September 2011 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	22.09.2011 to 28.09.2011 ( 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 Limited 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 2011-12.
ISIN Number for NSDL and CDSL	INE803H01014
Registrar & Share Transfer Agents	Link Intime India Pvt Limited. <i>Mumbai Office:</i> C-13, Pannalal Silk Mills compound, LBS Road, Bhandup(W) Mumbai-440078. Tel: 022-25963838, Email:mumbai@linktime.co.in <i>Delhi Office:</i> A-40, 2 <sup>ND</sup> Floor, Near Batra Banquet Hall, Naraina Industrial Area, Phase-II, New Delhi-110028. Email:delhi@linkintime.co.in
Share Transfer System	The power of approving transfer of securities has been delegated to the Company's Registrar and Share Transfer Agent, M/s Link Intime India Pvt. Limited. The Share Transfers are processed and certificates normally returned within 30 days from the receipt, if the documents are clear in all respects.
Address for Correspondence	Ruchira Papers Limited, Trilokpur Road, Kala Amb, Distt. Sirmour (Himachal Pradesh) -173030. Tel.No.: 01702-238537, 238654 Fax: 01734-261141 Email:info@ruchirapapers.com, cs@ruchirapapers.com, investor@ruchirapapers.com
Plant Location	Trilokpur Road, Kala Amb, Distt. Sirmour (Himachal Pradesh) -173030

b. Market Price Data: Monthly High/ low during each month of 2010-11 on Stock exchanges, Mumbai.

Market Price Data Month	Share prices of the Company for the period 2010-11.			
	Bombay Stock Exchange		The National Stock Exchange of India Limited	
	High (Rs.)	Low (Rs.)	High (Rs.)	Low (Rs.)
April 2010	9.80	7.01	9.80	7.40
May 2010	8.80	7.30	8.90	7.35
June 2010	9.54	7.20	9.65	7.05
July 2010	14.43	8.10	14.40	8.20
August 2010	22.23	14.31	22.50	13.70
September 2010	24.45	19.40	24.45	19.15
October 2010	21.60	18.10	22.40	18.10
November 2010	22.45	17.00	22.50	16.75
December 2010	22.15	16.75	22.05	16.90
January 2011	23.25	16.75	23.15	16.95
February 2011	17.75	12.00	17.80	12.15
March 2011	14.00	10.60	14.50	10.80

c. Distribution of Shareholding as on 31<sup>st</sup> March, 2011:

Shareholding of nominal values	Shareholders		Amount	
	Number	% of Total	Rupees	% of Total
Upto 2,500	3164	47.37	4492650	2.00
2,501 - 5,000	1625	24.33	6645390	2.96
5,001 - 10,000	948	14.19	8060740	3.60
10,001 - 20,000	455	6.80	7306210	3.26
20,001 - 30,000	136	2.03	3510880	1.57
30,001 - 40,000	71	1.06	2523500	1.12
40,001 - 50,000	85	1.27	4052860	1.80
50,001 - 1,00,000	85	1.27	6708360	2.99
1,00,001 & Above	112	1.68	180917450	80.70
<b>TOTAL</b>	<b>6681</b>	<b>100</b>	<b>224218040</b>	<b>100</b>

d. Categories of Shareholding as on 31<sup>st</sup> March, 2011:

Categories	Number of Shares	Amount in Rs.	%
Promoters, Directors, Relatives and Promoter Group	12290675	122906750	54.82
Mutual Funds/UTI	-	-	-
Financial Institutions/Banks	2224731	22247310	9.22
Bodies Corporate	1394499	13944990	16.61
Non Resident Indians	345586	3455860	1.54
Clearing Members	15774	157740	0.07
Indian Public	6150539	61505390	17.74
<b>TOTAL:</b>	<b>22421804</b>	<b>224218040</b>	<b>100</b>

e. Dematerialization of Shares:

The shares of the company can be traded in dematerialized form with NSDL and CDSL. As on 31<sup>st</sup> March, 2011, a total of 19595328 Equity shares of the company which form 87.39 % of the share capital, stand dematerialized. The Company through its Registrar and Share Transfer Agents provides the facility of simultaneous transfer and dematerialization of shares.

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

**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 31<sup>st</sup> March, 2011, 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  
Reg. No.: 004730N

**I.C.GOEL(FCA)**

Place: Kala Amb  
Date: 29<sup>th</sup> July,2011

Partner  
M. No. 004631

**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 31<sup>st</sup> March, 2011 and to the best of my knowledge and belief:

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

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

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

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

It is hereby affirmed that during the year 2010-11, 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: 29<sup>th</sup> July, 2011

## 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 31<sup>st</sup> March 2011 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 31<sup>st</sup> March 2011 from being appointed as directors in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956 on the said date;

f) In our opinion and to the best of our information and according to the explanations given to us, the said account read together with significant accounting policies and notes to accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India :

a) In the case of Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March 2011.

b) In the case of Profit & Loss Account, of the profit of the Company for the year ended on that date.

c) In the case of Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

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

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

Place-Kala-Amb  
Date 29<sup>th</sup> July 2011

**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 31<sup>ST</sup> MARCH, 2011**

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 is, 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 430.80 lacs and the amount remaining unpaid at the year end was Rs 429.80 lacs.
- (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 ,2011 are as follows :-

Name of the Statute	Nature of the dues	Amount in Rs.	Forum where dispute is pending
The Central Excise Act, 1944	Excise Duty & Penalty thereon.	31042816	Custom, Excise & Service Tax Appellate Tribunal, New Delhi.

10. The Company has no accumulated losses at the end of the financial year and has not incurred any

- cash losses in the current and immediately preceding financial year.
11. Based on our audit procedures and as per information and explanations given by the management, we are of the opinion that Company has not defaulted in repayment of dues to financial institutions or banks.
  12. According to information and explanations given to us and based on the documents and records produced to us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
  13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
  14. In our opinion and according to the information and explanations given to us, the Company is not a dealer or trader in securities.
  15. According to information and explanations given to us the Company has not given any guarantees for loans taken by others from the banks and financial institutions.
  16. Based on information and explanations given to us by the management, the term loans were applied for the purpose for which the loans were obtained.
  17. Based on the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, in our opinion, there are no funds raised on short term basis which have been used for long term investment.
  18. The Company has not made any preferential allotment of Shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
  19. The Company has not issued any debentures during the year.
  20. The Company has not raised any money through a Public Issues during the year.
  21. Based upon the audit procedures performed for the purpose of reporting true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the course of our audit.

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

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

Place-Kala-Amb  
Date 29<sup>th</sup> July 2011



## Balance Sheet as at March 31, 2011

(Amount in INR)

Particulars	Schedule	As at 31.03.2011		As at 31.03.2010
<b>Sources of Funds</b>				
<b>Shareholders' Funds</b>				
Share Capital	A	224218040	224218040	
Reserves and Surplus	B	<u>399668890</u>	<u>360897761</u>	585115801
<b>Loan funds</b>				
Secured	C	1276454908		1374991720
Un-Secured Loans	D	42980000		35080000
Deferred Tax Liability		68894162		48951019
<b>Total Rs.....</b>		<u><u>2012216000</u></u>		<u><u>2044138540</u></u>
<b>Application Of Funds</b>				
<b>Fixed Assets</b>				
Gross Block	E	2221485267	2205612972	
Less: Depreciation		<u>509704079</u>	<u>403978390</u>	
Net Block		<u>1711781188</u>	<u>1801634582</u>	
<b>Capital Work in Progress</b>		-	-	1801634582
<b>Investments</b>	F	<u>2500</u>		-
<b>Current Assets, Loans &amp; Advances</b>				
Inventories	G	410086653	322991305	
Sundry Debtors		270166307	195365094	
Cash & Bank Balances		21492307	16771338	
Loans & Advances		<u>57183662</u>	<u>44496587</u>	
		<u>758928929</u>	<u>579624324</u>	
Less: Current Liabilities & Provisions	H			
Liabilities		407963159	301416733	
Provisions		<u>50533458</u>	<u>35703633</u>	
		<u>458496617</u>	<u>337120366</u>	
<b>Net Current Assets</b>		<u><u>300432312</u></u>		<u><u>242503958</u></u>
<b>Total Rs...</b>		<u><u>2012216000</u></u>		<u><u>2044138540</u></u>

Accounting Policies and Notes to Accounts O

The Schedules refer to above form part of the Balance Sheet

### Auditors Report

Certified in terms of our separate report of even date.

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

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

Place - Kala-Amb  
Date - 29<sup>th</sup> July 2011

### For and on behalf of the Board

**Subhash Chander Garg**  
Chairman Cum Whole Time Director

**Umesh Chander Garg**  
Managing Director

**Hussan Kumar**  
Company Secretary

**Vipin Gupta**  
General Manager Finance



## Profit and Loss Account for the year ended March 31, 2011

(Amount in INR)

Particulars	Schedule	Year ended 31.03.2011	Year ended 31.3.2010
<b>Income</b>			
Sales		2543445549	1997080300
Less: Excise Duty		3275006	2565601
Net Sales		2540170543	1994514699
Other Income	I	12701283	7934790
Increase /( Decrease) in stocks of			
Work-in-process and Finished goods	J	16663345	2973734
<b>Total Rs...</b>		<b>2569535171</b>	<b>2005423223</b>
<b>Expenditure</b>			
Raw Materials, Fuel & Chemicals Consumed	K	1755475718	1372316915
Manufacturing Expenses	L	328408739	306719874
Administrative, Selling & Other Expenses	M	146745365	132569829
Interest	N	174082757	159956424
Depreciation		106086056	105652191
Less: Transfer from Revaluation Reserve		-	2752369
Amalgamation Expenses Written Off		-	116733
<b>Total Rs...</b>		<b>2510798635</b>	<b>2074579597</b>
Profit / (Loss) for the year before taxation		<b>58736536</b>	(69156374)
<u>Provision for Taxation</u>			
-Current Tax		<b>11700000</b>	-
-Deferred Tax		<b>19943143</b>	(26152859)
-Earlier Years		<b>22264</b>	102953
Less MAT Credit entitlement		<b>(11700000)</b>	-
Net Profit		<b>38771129</b>	(43106468)
Balance brought forward		<b>160155808</b>	203262276
Balance carried forward to Reserve & Surplus		<b>198926937</b>	160155808
Earning Per Share (Equity Shares, par value of Rs. 10/- each )			
Basic		1.73	(1.92)
Diluted		1.73	(1.92)

Accounting Policies and Notes to Accounts O

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

### Auditors Report

Certified in terms of our separate report of even date.

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

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

Place - Kala-Amb  
Date 29<sup>th</sup> July 2011

### For and on behalf of the Board

**Subhash Chander Garg**  
Chairman Cum Whole Time Director

**Umesh Chander Garg**  
Managing Director

**Hussan Kumar**  
Company Secretary

**Vipin Gupta**  
General Manager Finance



## Cash Flow Statement for the period ended 31st March 2011

(Amount in INR)

Particulars	Year ended 31.03.2011	Year ended 31.03.2010
<b>Net Profit Before Tax/( Loss )</b>	<b>58736536</b>	(69156374)
Adjustment for:		
Depreciation	<b>106086056</b>	102899822
Misc. Expenditure	-	116733
Loss/(Profit) on sale of Fixed Assets	<b>5536</b>	(50830)
Interest Income	<b>(11404375)</b>	(7813350)
Interest Expense	<b>174082757</b>	159956424
<b>Operating Profit before working capital charges</b>	<b>327506510</b>	185952425
Decrease/(increase) in Sundry Debtors	<b>(74801213)</b>	(11196605)
Decrease/(increase) in Inventories	<b>(87095348)</b>	(47989727)
Decrease/(increase) in Loans & advances	<b>(765449)</b>	<u>7460557</u>
(Decrease)/increase in Sundry Creditors	<b>78630105</b>	23154640
(Decrease)/increase in Other Current Liabilities	<b>31071817</b>	16024583
<b>Cash generated from Operations</b>	<b>274546422</b>	<u>173405873</u>
Income Tax Paid(Net)	<b>(243890)</b>	2218788
<b>Net Cash from Operating Activities</b>	<b>274302532</b>	175624661
<b><u>B) Cash Flow from Investing Activities</u></b>		
Purchase of Fixed Assets	<b>(16383198)</b>	(21578680)
Purchase of Investment	<b>(2500)</b>	-
Proceeds from sale of Fixed assets	<b>145000</b>	413500
Interest Received	<b>11404375</b>	7813350
<b>Net Cash from Investing Activities</b>	<b>(4836323)</b>	(13351830)
<b><u>C) Cash Flow from Financing Activities</u></b>		
Proceeds from Unsecured loans	<b>7900000</b>	4000000
Proceeds from Long Term Borrowings	<b>104300000</b>	75035975
Repayments of Long Term Borrowing	<b>(160534916)</b>	(114610922)
Proceeds from Short Term Borrowings(Net)	<b>(42301896)</b>	30825380
Interest Paid	<b>(174108428)</b>	(159956424)
<b>Net Cash used in Financing activities</b>	<b>(264745240)</b>	(164705991)
<b>Net Increase in Cash &amp; Cash equivalents (A+B+C)</b>	<b>4720969</b>	(2433160)
Cash & Cash equivalents at beginning of the period	<b>16771338</b>	19204498
Cash & Cash equivalents at end of the period	<b>21492307</b>	16771338

### 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.

### Auditors Report

2. Negative figures have been shown in brackets Certified in terms of our separate report of even date.

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

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

Place - Kala-Amb  
Date 29<sup>th</sup> July 2011

### For and on behalf of the Board

**Subhash Chander Garg**  
Chairman Cum Whole Time Director

**Umesh Chander Garg**  
Managing Director

**Hussan Kumar**  
Company Secretary

**Vipin Gupta**  
General Manager Finance

**Schedules attached to and forming part of Balance Sheet as on March 31, 2011**

(Amount in INR)

Particulars	As at 31.3.2011	As at 31.3.2010
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**SCHEDULE 'A' : SHARE CAPITAL**
**Authorised**

31000000 Equity Shares of Rs. 10/- each	<b>310000000</b>	310000000
	<b>310000000</b>	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	<b>224218040</b>	224218040
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<b>Total (Rs.)</b>	<b>224218040</b>	224218040
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**SCHEDULE 'B' : RESERVES AND SURPLUS**

## Revaluation Reserve Account

Opening Balance as per previous Balance Sheet	-	2752369
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Less : Transferred to Profit & Loss Account	-	2752369
---	---	---------

Net Total	-	-
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## Profit and Loss Account

Balance transferred from profit & loss appropriation account	<b>198926937</b>	160155808
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Share Premium Account	<b>181086953</b>	181086953
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General Reserve	<b>19655000</b>	19655000
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<b>Total (Rs.)</b>	<b>399668890</b>	360897761
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**SCHEDULE 'C' : SECURED LOANS**
**A. Term Loans :**

HPSIDC, Shimla	<b>5425000</b>	8525000
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Vehicle Loans (HDFC Bank Ltd)	<b>4379171</b>	-
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Punjab National Bank, ( Kraft )	-	4562237
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Punjab National Bank, ( Writing & Printing )	<b>506261935</b>	546444893
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State Bank Of Bikaner and Jaipur ,( Writing& Printing )	<b>116979881</b>	136999888
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Oriental Bank Of Commerce ,( Writing& Printing )	<b>351909502</b>	343851448
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Vehicle Loans (Tata Finance Ltd)	<b>492431</b>	761260
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Vehicle Loans (Kotek Mahindra Prime Ltd)	<b>7694797</b>	7147523
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Vehicle Loans (Magma Sarchi Finance Ltd)	-	788912
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Vehicle Loans (Tata Finance Ltd)	-	499399
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Vehicle Loans (Sundaram Finance Ltd)	<b>202927</b>	-
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**B. Cash Credit Accounts :**

Punjab National Bank, Chandigarh ( Kraft )	<b>88183949</b>	84453400
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Punjab National Bank, Kala-Amb ( Kraft )	<b>6409965</b>	2484402
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State Bank Of Bikaner and Jaipur ( Kraft )	<b>54138597</b>	50235427
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Punjab National Bank, Chandigarh ( Writing & Printing )	<b>72853983</b>	123860466
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Punjab National Bank, Kala-Amb ( Writing & Printing )	-	2482681
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Oriental Bank Of Commerce ( Writing & Printing )	<b>61522770</b>	61894784
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<b>Total (Rs.)</b>	<b>1276454908</b>	1374991720
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## Schedules attached to and forming part of Balance Sheet as on March 31, 2011

(Amount in INR)

Particulars As at 31.3.2011 As at 31.3.2010

### SCHEDULE 'D' : UNSECURED LOANS

Sh. Subhash Chander Garg	25400000	9400000
Sh. Umesh Chander Garg	9075000	7575000
Sh. Jatinder Singh	8505000	18105000
<b>Total (Rs.)</b>	<b>42980000</b>	<b>35080000</b>

### SCHEDULE 'E' : FIXED ASSETS

PARTICULARS	GROSS BLOCK			TOTAL AS ON 31.3.2011	DEPRECIATION			NET BLOCK		
	COST AS ON 1/4/2010	ADDITIONS	SALE/ TRANSFER		UPTO 31/3/2010	FOR THE YEAR	DEPRECIATION ON SALE OF ASSETS ADJ.	TOTAL UPTO 31.3.2011	AS ON 31/03/2011	AS ON 31/03/2010
1	2	3	4	5	6	7	8	9	10	11
LAND	100941207	-	-	100941207	-	-	-	-	100941207	100941207
BUILDING	289866397	-	-	289866397	39522163	9607641	-	49129804	240736593	250344234
OFFICE BUILDING	12692115	-	-	12692115	520208	206881	-	727089	11965026	12171907
PLANT & MACHINERY	1698110737	6043551	-	1704154288	303385596	88521264	-	391906860	1312247428	1394725141
E.T.P.	42588447	-	-	42588447	26777917	2164269	-	28942186	13646261	15810530
TUBE WELL	2480133	2615978	-	5096111	477721	68646	-	546367	4549744	2002412
FURNITURE	7693507	21897	-	7715404	4435149	592581	-	5027730	2687674	3258358
TOOLS & EQUIPMENTS	516800	-	-	516800	154506	24349	-	178855	337945	362294
LAB. EQUIPMENTS	4390850	-	-	4390850	1761651	208006	-	1969657	2421193	2629199
OFFICE EQUIPMENTS	2692900	393384	-	3086284	737690	139956	-	877646	2208638	1955210
VEHICLES	35036821	6659061	510903	41184979	21963435	4140350	360367	25743418	15441561	13073386
FAX MACHINE	209730	-	-	209730	111065	9962	-	121027	88703	98665
WEIGHING SCALE	2529708	-	-	2529708	731922	120162	-	852084	1677624	1797786
COMPUTERS	3326402	329474	-	3655876	2777083	152733	-	2929816	726060	549319
Fire Fighting	359416	-	-	359416	28068	17072	-	45140	314276	331348
PBX	273453	98328	-	371781	131076	16188	-	147264	224517	142377
PHOTOSTAT MACHINE	336101	-	-	336101	101011	15964	-	116975	219126	235090
TELEPHONES	1568248	221525	-	1789773	362129	80032	-	442161	1347612	1206119
<b>TOTAL (Rs.)</b>	<b>2205612972</b>	<b>16383198</b>	<b>510903</b>	<b>2221485267</b>	<b>403978390</b>	<b>106086056</b>	<b>360367</b>	<b>509704079</b>	<b>1711781188</b>	<b>1801634582</b>
PREVIOUS YEAR	2172104319	34697067	1188414	2205612972	299151943	105652191	825744	403978390	1801634582	1872952376

### SCHEDULE 'F' : INVESTMENTS

Long Term Investments( Others )		
Fully Paid Equity Shares ( Unquoted )		
Shivalik Solid Waste Management Limited	2500	-
(250 Equity Shares Face Value of Rs.10/- each)		
	<b>2500</b>	<b>-</b>

### SCHEDULE 'G' : CURRENT ASSETS, LOANS AND ADVANCES

#### A. Current Assets

##### Inventories

(As taken, valued and certified by the Management)

Raw Material	223366093	165674975
Stores, Spares & Packaging	103075389	90334504
Semi Finished Goods	36819670	31676000
Finished Goods	46825501	35305826
<b>Total (Rs.)</b>	<b>410086653</b>	<b>322991305</b>



**Schedules attached to and forming part of Balance Sheet as on March 31, 2011**

(Amount in INR)

Particulars	As at 31.3.2011	As at 31.3.2010
<b>Sundry Debtors</b>		
Debts outstanding for a period exceeding 6 months.	30947515	23362961
Other Debts	239218792	172002133
<b>Total (Rs.)</b>	<b>270166307</b>	<b>195365094</b>
<b>Cash and Bank Balances</b>		
Cash & Bank Balances	7764849	4352880
Margin Money with Scheduled Banks	3840000	2531000
FDR (Against Bank Guarantee)	9887458	9887458
<b>Total (Rs.)</b>	<b>21492307</b>	<b>16771338</b>
<b>B. Loans and Advances</b>		
(Recoverable in cash or in kind or for value to be received)		
Sundry Advances	17108006	16924430
Advances to Suppliers	10299528	10139061
Security Deposits with HPSEB & Others	3630347	3330347
Prepaid Insurance	1474393	1285184
Prepaid Lease Rent / Rent	106161	190668
Prepaid Annual Subscription & AMC	69268	52564
T.C.S./ T.D.S	1245959	1024333
MAT Credit Entitlement FY 2007-2008	11550000	11550000
MAT Credit Entitlement FY 2010-2011	11700000	-
<b>Total (Rs.)</b>	<b>57183662</b>	<b>44496587</b>
<b>Schedule 'H' : Current Liabilities and Provisions</b>		
<b>A. Current Liabilities:</b>		
<b>Sundry Creditors</b>		
Creditors for Raw Materials / Stores & Spares etc.	246495669	164776472
Creditors for Capital Work	81287339	84376431
Share Application Money Pending Refund	25553	25553
Advances from Customers	3880181	3978541
Security Deposit From Suppliers	30000000	25000000
Security Deposit From Customers	46274417	23259736
	<b>407963159</b>	<b>301416733</b>
<b>B. Provisions:</b>		
Expenses Payable & Other Liabilities	38788535	35633039
Interest Accrued but not Due on Term Loans	44923	70594
Provision for Taxation	11700000	-
	<b>50533458</b>	<b>35703633</b>
<b>Total (Rs.)</b>	<b>458496617</b>	<b>337120366</b>



**Schedules attached to and forming part of Balance Sheet as on March 31, 2011**

(Amount in INR)

Particulars	As at 31.3.2011	As at 31.3.2010
<b><u>Schedule 'I' : Other Income</u></b>		
Profit/Loss on sale of Assets	(5536)	50830
Short & Excess Recoveries	12257	70610
DEPB Incentive	1290187	-
Interest Received	11404375	7813350
<b>Total (Rs.)</b>	<b>12701283</b>	<b>7934790</b>
<b><u>Schedule 'J' : Increase / (Decrease) in stocks of Work-in-process and Finished goods</u></b>		
<u>Stocks at close</u>		
- Finished Goods	46825501	35305826
- Semi Finished Goods and Goods in process	36819670	31676000
	<u>83645171</u>	<u>66981826</u>
<u>Less: Stocks at commencement</u>		
- Finished Goods	35305826	41982092
- Semi Finished Goods and Goods in process	31676000	22026000
	<u>66981826</u>	<u>64008092</u>
<b>Net Increase/( Decrease) on Stocks</b>	<b>16663345</b>	<b>2973734</b>
<b><u>Schedule 'K' : Raw Materials, Fuels &amp; Chemicals Consumed</u></b>		
<u>Raw Materials :</u>		
Opening Stock	75604210	37479802
Add : Purchases	984652812	750932935
	1060257022	788412737
Less : Closing Stock	97803450	75604210
<b>Raw Materials Consumed</b>	<b>962453572</b>	<b>712808527</b>
<u>Fuels:</u>		
Opening Stock	76667090	69289833
Add : Purchases	506488841	376765834
	583155901	446055667
Less : Closing Stock	112194991	76667090
<b>Fuel Consumed</b>	<b>470960910</b>	<b>369388577</b>
<u>Chemicals:</u>		
Opening Stock	13403675	20495324
Add : Purchases	322025213	283028162
	335428888	303523486
Less : Closing Stock	13367652	13403675
<b>Chemical Consumed</b>	<b>322061236</b>	<b>290119811</b>
<b>Total (Rs.)</b>	<b>1755475718</b>	<b>1372316915</b>

**Schedules attached to and forming part of Balance Sheet as on March 31, 2011**

(Amount in INR)

Particulars	As at 31.3.2011	As at 31.3.2010
<b><u>Schedule 'L' : Manufacturing Expenses</u></b>		
Wages	6517106	15832204
Production Staff Salaries	77887856	54486535
Bonus to Workers	1947137	2008400
PF & Administrative Charges	8969360	8145840
E.S.I.	2824574	2110593
E.D.L.I. Charges	178620	288709
Machinery Repairs & Replacements	47842303	49925413
Consumable Stores & Electric Repairs	49771103	62803534
Power	111775347	96478183
Sheet Cutting Charges	11873090	6145635
Broke Shifiting Charges	1074494	955000
Ash Clearing Expenses	7747749	7539828
<b>Total (Rs.)</b>	<b>328408739</b>	<b>306719874</b>
<b><u>Schedule 'M' :Administrative, Selling &amp; Other Expenses</u></b>		
Directors' Remuneration	17280000	17280000
Salaries	21370071	16048864
Conveyance Allowance	84887	71185
Furniture Allowance	272931	269010
Directors' Meeting Fees	120000	80000
Labour & Staff Welfare	1240481	975156
Bonus to Staff	486651	539762
Leave Encashment to Staff	1575282	794853
Gratuity	5505012	3823860
Traveling & Conveyance		
- Directors	852893	559144
- Others	2229081	1636934
Rent	1015885	352185
Water & Electricity Expenses	127622	122117
Postage & Courier	418106	346145
Printing & Stationery	843144	771590
Telephone Expenses	2178149	2528247
Legal & Consultancy Expenses	822112	1812944
Vehicle Running & Maintenance		
- Directors	857503	760303
- Others	1650729	1121833
Scooter/ M.Cycle Running & Maintenance	-	242320
Testing Charges	97321	216735
Tractor Running & maintenance	1509687	1408750
Bus Running & Maintenance	1542650	1343681
Repairs & Maintenance		
- Building	548878	1369887
- General Repairs and Maint.	1381002	1355098
Insurance	3063638	3919203
News Papers & Periodicals	28232	25070

**Schedules attached to and forming part of Balance Sheet as on March 31, 2011**

(Amount in INR)

Particulars	As at 31.3.2011	As at 31.3.2010
Auditors Remuneration		
- Statutory Audit	165450	154420
- Audit Expenses	128690	121098
Cost Audit	49635	44120
Internal Audit	308840	240000
Bank Charges	4755670	5883931
Filing Fees	10500	30500
Fees and Taxes	3212470	2734617
Subscription	127149	112903
Member Ship Fees	47500	-
Lease Rent ( For use of Land )	144507	207781
E.T.P. Expenses	85944	269886
Training and Seminar Expenses	-	35584
Compansation/ Exgratia	-	150000
Difference in foreign Currency	3578	-
Export Exps.	28263	-
Advertisement & Publicity	576797	498938
Business/ Sales Promotion	213089	23671
Commission Paid	3846417	4227094
Rebate & Discount	16638171	20818247
Freight & Forwarding	10691749	7486895
Packing Material Consumed	38608999	29755268
<b>Total (Rs.)</b>	<b>146745365</b>	<b>132569829</b>

**Schedule 'N' : Interest**

On Working Capital	34993877	30569442
On Term Loans	137303070	127377783
Others	1785810	2009199
<b>Total (Rs.)</b>	<b>174082757</b>	<b>159956424</b>

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**SCHEDULE O : SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO ACCOUNTS FORMING PART OF ACCOUNTS AS ON 31<sup>ST</sup> MARCH 2011.**

**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.

**C. Valuation of Inventories**

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

**D. Revenue recognition**

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

**E. Foreign Currency Transactions**

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

**F. Employees Retirement Benefits**

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

**G. Borrowing Costs**

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

H. Segment Report Policies

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

I. Earnings/(Loss) per Share

The Company reports basic and diluted Earnings per share (EPS) in accordance with Accounting Standard AS- 20 on "Earnings per Share". Basic EPS is computed by dividing Net Profit or Loss for the year by the weighted average number of equity shares outstanding during the year. Diluted EPS is computed by dividing net profit or loss for the year by the weighted average number of equity shares outstanding during the year as adjusted for the effects of all 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 extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax assets of earlier years are reassessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

K. Impairment of Assets

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

L. Provisions, Contingent Liabilities & Contingent Assets

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

M. Research & Development

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

N. Investments

Investments are stated at cost. Dividend income is accounted in the year in which it is received.

2. **Notes on Accounts**

A. Contingent Liabilities not provided for

(Rs. In Lacs)

S. No.	Particulars	31-03-2011	31-03-2010
A	In respect of various demands raised, which in the opinion of the Management are not tenable and are under appeal at various stages:		
	Excise Matter	310.43	310.89
B	Estimated amount of contracts remains to be executed on capital account (Net of advances)	-	-
C	Guarantees and Letter of Credit given by the bank on behalf of the company	217.44	259.62

- 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 2<sup>nd</sup> 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 01.04.2010	Charge /( Credit) during the Year	Deferred Tax Liability/(Asset ) as at 31.03.2011
Deferred Tax Liability			
Difference between book and tax depreciation	160100905	29375708	189476613
Sub Total	160100905	29375708	189476613
Deferred Tax Asset	111149886	9432565	120582451
Sub Total	111149886	9432565	120582451
Net	48951019	19943143	68894162

- E. Remuneration paid to Directors during the year is Rs. 1,72,80,000/- (Previous year Rs.1,72,80,000/-)
- F. The name of Micro small and medium enterprises to whom the company owes a sum of exceeding Rs 100000/- which is outstanding more than 30 days based on the information to the extent available with the company and as certified by the Management is as under:-

ABHAY LIME INDUSTRIES AGRO PULPING MACHINERY PVT.LTD. ALFA CONTAINERS AMAR ELASTOMERS PVT.LTD. AMBIKA ENTERPRISES, ASHU ENGINEERING COMPANY BANSAL ENTERPRISES. BANSAL LIME & CHEMICALS D.K.LIME INDUSTRIES DALA KOTI MINERALS & CHEMICAL ELECTROTECH ENGINEERS ,CHD. ETE ELECTROGEARS PVT. LTD. H & T ENGG. HIRA FOUNDRY & ENGG. WORKS HI-TECH ENGG. INDIA (P) LTD IVAX PAPER CHEMICALS LTD	JAI VARDHMAN KHANIZ PVT.LTD. JMD POLYMERS MACTROL-MOTION CONTROL P.LTD. PRESSELS PVT.LTD. PRIME FABRIQUE WORKSHOP PUNJAB ACIDS-CHEM (P)LTD. R.C.PAPER MACHINES RAGHAV INDUSTRIAL PRODUCTS K.AMB SHARP STEEL INDUSTRIES SHREE CHLORATES TELLABS CHEMICALS PVT. LTD. THE PUNJAB BUSINESS & SUPPLY CO.P.LTD. UNISTEEL ENGG. & FABRICATORS V.R. HYDROCHEM P.LTD. VIMAL MACHINE TOOLS
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G. Segment Information

Primary Segment Information:

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

	India	Overseas	Total
Revenue( INR)	2524541182	18904367	2543445549

I. Related Party Disclosures

i) Names of Related Parties :

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

ii) Transactions with Related Parties

(Rs. in Lacs)

Particulars	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	
	March 31, 2011	March 31, 2010
<b>Transactions with Jasmer Pack Ltd.*</b>		
Sale of Goods	1939.34	2340.70
Purchase of Raw Material	0.13	0.08

Particulars	Enterprises owned or significantly influenced by Key Management Personnel or their relatives	
	March 31, 2011	March 31, 2010
Interest received for delayed payment	38.98	25.22
<b>Transactions with Jasmer Packer</b>		
Sale of Goods	1550.04	81.05
Interest received for delayed payment	2.97	-
<b>Transactions with Well Pack Industries</b>		
Sale of Goods	347.23	1.10
Purchase of Packing Material	68.66	-
Interest received for delayed payment	1.02	-
<b>Transactions with Ruchira Packaging products Pvt. Ltd</b>		
Sale of Goods	412.61	90.40
Purchase of Packing Material	2.90	3.29
Interest received for delayed payment	9.51	2.18
<b>Transactions with Ruchira Printing &amp; Packaging</b>		
Sale of Goods	296.92	527.40
Purchase of Packing Material	74.65	82.17
Interest received for delayed payment	22.94	14.85
<b>Transactions with Thakur Ji Paper</b>		
Sale of Goods	43.27	-
Purchase of Raw Material	0.31	-
<b>Transactions with Garg Medical Hall</b>	-	-
<b>Transactions with Sh Jatinder Singh</b>		
Salary and Allowances	54.00	54.00
<b>Transactions with Sh Subhash Chander Garg</b>		
Salary and Allowances	54.00	54.00
<b>Transactions with Sh Umesh Chander Garg</b>		
Salary and Allowances	54.00	54.00
<b>Transactions with Sh J.N.Singh</b>		
Salary and Allowances	10.80	10.80
<b>Balance outstanding as at the year end included in Sundry Debtors</b>		
Jasmer Pack Ltd.*	206.80	74.89
Ruchira Packaging products Pvt. Limited	180.77	12.12
Ruchira Printing & Packaging	28.44	144.49
Jasmer Packer	61.93	-
Well Pack Industries	32.92	-
Thakur Ji Paper	3.83	-

On 01.06.2010 Jasmer Pack Limited has taken over the running business of Jasmer Pack a proprietorship concern, Smt Charanjeet Kaur w/o Sh Jatinder Singh was proprietor.

I. Particulars of Payments to Auditors		
	Current Year	Previous Year
Audit Fees	Rs. 1,65,450/-	Rs. 1,54,420/-
Expenses	Rs. 18,290/-	Rs. 18,573/-

J. Earning/(Loss) per Share		March 31, 2011	March 31, 2010
A	Net Profit/(Loss) after Tax	38771129	(43106468)
	Dividend	-	-
	Profit available for Equity Shareholders	38771129	-
B	Weighted Average number of Equity Shares of Rs. 10/- each	22421804	22421804
C	Basic Earning per Share	1.73	(1.92)
D	Diluted Earning per Share	1.73	(1.92)
E.	Earning per Share before Dividend	1.73	(1.92)

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

**Information pursuant to the provision of paragraph 3,4C and 4D of Part II of schedule VI of the Companies Act ,1956 is given hereunder for the year ended 31.03.2011**

1 Quantitative details of capacities,production,sales etc.

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

Particulars	2010-2011		2009-2010	
	Licensed	Installed	Licensed	Installed
Capacity ( TPA)	N.A.	85800	N.A.	85800
Production ( M.T.)		85080.633		74728.410
<b>Opening Stock</b>	<b>Qty.(M.T.)</b>	<b>Value (Rs)</b>	<b>Qty.(M.T.)</b>	<b>Value (Rs)</b>
Finished Goods	1201.231	35305826	1581.078	41982092
Semi Finished Goods	1298.000	31676000	1146.000	22026000
Sales - Finished Goods	84675.177	2543445549	74982.726	1997080300
Sales - Raw Material	-	-	-	-
<b>Closing Stock</b>				
Finished Goods	1484.176	46825501	1201.231	35305826
Semi Finished Goods	1378.690	36819670	1298.000	31676000
<b>Job Work ( Sheet Cutting)</b>				
Scrap Generated	82.487	-	60.425	-
Shortage	40.024	-	65.105	-

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

Value	2010-2011		2009-2010	
	Percentage	Value	Percentage	Value
i) Raw Material				
Indigenous	891949072	92.67%	637037150	89.37%
Imported	70504500	7.33%	75771377	10.63%
<b>Total</b>	<b>962453572</b>	<b>100.00%</b>	<b>712808527</b>	<b>100.00%</b>
ii) Chemicals				
Indigenous	315505977	97.96%	290119811	100.00%
Imported	6555259	2.04%	-	-
<b>Total</b>	<b>322061236</b>	<b>100.00%</b>	<b>290119811</b>	<b>100.00%</b>
iii) Consumable Store				
Indigenous	46577968	93.58%	54957657	87.51%
Imported	3193135	6.42%	7845877	12.49%
<b>Total</b>	<b>49771103</b>	<b>100.00%</b>	<b>62803534</b>	<b>100.00%</b>
iv) Spare Parts				
Machinery Repairs and Replacements)				
Indigenous	47842303	100.00%	49925413	100.00%



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	2010-2011	2009-2010
4 Value of Imports on C.I.F. Basis in respect of :		
Raw Material & Chemical	60497623	68537428
Consumable Stores	2288796	6162458
Machinery	---	---
5 Expenditure incurred in Foreign Exchange on		
	2010-2011	2009-2010
i) Royalty ,know-how,professional and consultation fee	---	---
ii) Interest and other matters	---	---
iii) Foreign Traveling	---	---
iv) Machinery Spares including Advances	2597593	6539787
v) Machinery Purchase	---	---
6 Earning in Foreign Exchange on account of		
i) Export of goods on FOB basis	19323073	2368624
ii) Royalty, known how,professional,and consultation fee	---	---
iii) Interest and dividend etc.	---	---
iv) Other income including the nature thereof	---	---

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

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

#### **Auditors Report**

Certified in terms of our separate report of even date.

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

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

Place - Kala-Amb  
Date 29<sup>th</sup> July 2011

#### **For and on behalf of the Board**

**Subhash Chander Garg**  
Chairman Cum Whole Time Director

**Umesh Chander Garg**  
Managing Director

**Hussan Kumar**  
Company Secretary

**Vipin Gupta**  
General Manager Finance



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**BALANCE SHEET ABSTRACT & COMPANY'S GENERAL BUSINESS PROFILE****1 Registration Details:**

Registration Number	4336	State Code	06
Balance Sheet Date	31/03/2011		

**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
2012216	2012216

**Sources of funds**

Paid up Capital	Reserve and Surplus
224218	399669
Secured Loan	Unsecured Loans
1276455	42980
Deferred Tax liability	
68894	

**Application of funds**

Net Fixed Assets	Investments
1711781	3
Net Current Assets	Misc.Expenditure
300432	0

**4 Performance of Company (Amount in Rs '000')**

Turnover	Total Expenditure
2543446	2484709
Profit before Tax	Profit after Tax
58737	38771
Earning per Share (In Rs.)	Dividend rate (%)
Basic Diluted	Nil
1.73 1.73	

**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

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**Auditors Report**

Certified in terms of our separate report of even date.

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

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

Place - Kala-Amb  
Date 29<sup>th</sup> July 2011

**For and on behalf of the Board**

**Subhash Chander Garg**  
Chairman Cum Whole Time Director

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Managing Director

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Company Secretary

**Vipin Gupta**  
General Manager Finance