

28th

ANNUAL REPORT 2007-08



RUCHIRA PAPERS LIMITED



BOARD OF DIRECTORS

Chairman-cum-Whole Time Director

Subhash Chander Garg

Co-chairman-cum-Whole Time Director

Jatinder Singh

Managing Director

Umesh Chander Garg

Executive Director

Jaleshwar Narain Singh

Directors

Dalbir Singh

Surinder Gupta

S.K.Dewan

Avtar Singh Bajwa

Company Secretary

Ashwani Kumar Aggarwal

Registered Office & Works

Trilokpur Road, Kala Amb,

Distt. Sirmour

Himachal Pradesh-173030

Administrative Office

21-22, New Professors Colony,

Yamuna Nagar-135001

Haryana

Auditors

I.Chander Goel & Co.

Chartered Accountants

Railway Road,

Jagadhri (Haryana)

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NOTICE

Notice is hereby given that the TWENTYEIGHTH 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 Saturday, the 6th Day of September, 2008 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, 2008, 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 Avtar Singh Bajwa, who retires from the office by rotation and, being eligible, offers himself for re-appointment.
3. To appoint auditors and to fix their remuneration.

Special Business:

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 314, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, consent of the shareholders be and is hereby accorded to the payment of increased remuneration to Mr. Subhash Chander Garg, Chairman cum Whole-Time Director, for the remaining period of his appointment i.e. upto 31.08.2010 with effect from April 01, 2008, as set out below:-

- a. Salary: Rs. 3,75,000/- (Rupees Three Lacs and Seventy Five thousand Only) per month.
- b. House Rent Allowance @ 20 % of Salary per month.
- c. Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of Rs. 1,00,000/- in a year.
- d. Club Fees: Fees for One Club not exceeding Rs. 20,000/- per year.
- e. Conveyance: Company's Car with Driver for Official Use.
- f. Telephone: Mobile and Telephone Facility at the residence for office purpose.

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

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

1. *Provident Fund:* Company's Contribution towards Provident Fund shall be as per the Rules of the Company i.e. 12 % of the Salary.
2. *Gratuity:* Payable at a rate not exceeding half a month's salary for each completed year of service.

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

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

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

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 310, 314, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, consent of the shareholders be and is hereby accorded to the payment of increased remuneration to Mr. Jatinder Singh, Co-chairman cum Whole-Time Director, for the remaining period of his appointment i.e. upto 31.08.2010 with effect from April 01, 2008, as set out below:-

- a. Salary: Rs. 3,75,000/- (Rupees Three Lacs and Seventy Five thousand Only) per month.
- b. House Rent Allowance @ 20 % of Salary per month.
- c. Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of Rs. 1,00,000/- in a year.
- d. Club Fees: Fees for One Club not exceeding Rs. 20,000/- per year.
- e. Conveyance: Company's Car with Driver for Official Use.
- f. Telephone: Mobile and Telephone Facility at the residence for office purpose..



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

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

1. *Provident Fund*: Company's Contribution towards Provident Fund shall be as per the rules of the Company i.e. 12 % of the Salary.
2. *Gratuity*: Payable at a rate not exceeding half a month's salary for each completed year of service.

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

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

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 198, 269, 309, 310, 314, read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of the Central Government, consent of the shareholders be and is hereby accorded to the payment of increased remuneration to Mr. Umesh Chander Garg, Managing Director, for the remaining period of his appointment i.e. upto 31.08.2010 with effect from April 01, 2008, as set out below:-

- a. Salary: Rs. 3,75,000/- (Rupees Three Lacs and Seventy Five thousand Only) per month.
- b. House Rent Allowance @ 20 % of Salary per month.
- c. Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of Rs. 1,00,000/- in a year.
- d. Club Fees: Fees for One Club not exceeding Rs. 20,000/- per year.
- e. Conveyance: Company's Car with Driver for Official Use.
- f. Telephone: Mobile and Telephone Facility at the residence for office purpose.

Where in any financial year, the Company has no

profits or its profits are inadequate during the term of his office, the aforesaid remuneration shall be continued to be paid as per the provisions of Companies Act, 1956.

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

1. *Provident Fund*: Company's Contribution towards Provident Fund shall be as per the Rules of the Company i.e. 12 % of the Salary.
2. *Gratuity*: Payable at a rate not exceeding half a month's salary for each completed year of service.

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

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

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

"RESOLVED THAT: pursuant to Section 198, 269, 309, 310, Schedule XIII and other applicable provisions , if any, of the Companies Act, 1956, subject to the provisions of the Memorandum and Articles of Association of the Company, the consent of the shareholders be and is hereby accorded to the payment of increased remuneration to Sh. Jaleshwar Narain Singh, Executive Director, for the remaining period of his appointment, that is, upto 11.02.2009 with effect from 1st April, 2008, as set out below:-

- a. Salary: Rs. 90,000/- (Rupees Ninety thousand Only) per month.
- b. Conveyance Allowance @ Rs 800/- per month.
- c. Conveyance: Company's Car with Driver for Official Use.
- d. Leave encashment as per rules of the Company.
- e. Telephone: Mobile and Telephone Facility at the residence for office purpose.

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

In addition to the above remuneration, he shall



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

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

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

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

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

"RESOLVED THAT the consent of the Company be and is hereby granted, in accordance with Section 293(1)(d) and all other applicable provisions, if any, of the Companies Act, 1956 and the Articles of Association of the Company, to the Board of Directors of the Company, to borrow any sum or sums of money, from time to time, at their discretion, for the purpose of the business of the Company, which together with the monies already borrowed by the Company, (apart from temporary loans obtained from the Company's Bankers in the ordinary course of business) may exceed at any time, the aggregate of the paid-up capital of the Company and its free reserves (that is to say, reserves, not set apart for any specific purpose) by a sum not exceeding Rs.350 Crores, and that the Board of Directors be and is hereby empowered and authorized to arrange or fix the terms and conditions of all such monies to be borrowed from time to time as to interest, repayment, security or otherwise as it may think fit."

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

**By order of the Board
of Directors**

Place : Kala – Amb (HP)
Date : 28th July, 2008.

Ashwani Kumar Aggarwal
Company Secretary

Notes:-

1. Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 is annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER.** IN ORDER TO BE EFFECTIVE, THE PROXY FORM DULY COMPLETED AND STAMPED MUST REACH THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE TIME OF HOLDING THE MEETING. The proxy so appointed shall not have any right to speak at the meeting. The blank proxy form is appended with the attendance slip.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, the 29th August, 2008 to Saturday, the 6th September, 2008 (both days inclusive) for the purpose of Annual General Meeting.
4. Documents referred to in the Notice and Explanatory Statement are open for inspection at the Registered Office of the Company on all working days, except holidays, between 11.00 A.M. to 1.00 P.M. upto the date of the Annual General Meeting.
5. Members desirous of getting any information on Accounts or other items of the Agenda are requested to forward his/her queries to the Company at least ten working days prior to the date of the Annual General Meeting so as to enable the Management to keep the information ready.
6. Corporate members intending to send their authorized representatives are requested to send a duly certified copy of the Board resolution authorizing their representative to attend and vote at the Annual General Meeting.
7. Members are requested to intimate the Registrar and Share Transfer Agents of the Company - Intime Spectrum Registry Limited, Mumbai, immediately of any change in their address in respect of equity shares held in physical mode and to their Depository Participants (DP's) in respect of equity shares held in dematerialized form.
8. Members/ Proxies attending the Meeting are requested to bring their copy of the Annual Report with them at the meeting as the same will not be distributed at the meeting. The enclosed attendance slip may kindly be delivered at the entrance of the meeting hall.
9. Statement pursuant to proviso to Schedule XIII (PART II Section II 1(B) (iv) of the Companies Act, 1956 is annexed herewith.
10. Information pursuant to Clause 49 of the listing agreement regarding appointment and re-appointment of directors is annexed herewith.



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

ITEM NO. 4, 5, 6 & 7

The members are aware that the company has set up 100 TPD Writing and Printing Paper Unit with total appraised revised project cost of Rs 153.49 Crores resulting in significant increase in job responsibilities of the Managing and Whole-Time Directors/ Executive directors. Considering the long experience, expertise, and in recognition of invaluable contribution to the Company's growth and implementation of several expansion plans undertaken in the past, the Board of Directors of the Company in its meeting held on July 28, 2008, and as approved by the Remuneration Committee, has increased the remuneration payable to Shri Umesh Chander Garg, Shri Subhash Chander Garg, Shri Jatinder Singh & Shri Jaleshwar Narain Singh subject to the approval of the members at the ensuing Annual General Meeting and the Central Government (if any). The Company has already applied for the permission of the Central Government to pay the above mentioned remuneration to Sh. Subhash Chander Garg, Chairman cum Whole Time Director, Sh Jatinder Singh, Co-chairman cum Whole Time Director and Sh Umesh Chander Garg, Managing Director of the Company.

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

The Directors commend the Resolution No.4, 5, 6 & 7 for your approval.

Save and except Shri Umesh Chander Garg and Shri Subhash Chander Garg, being the brothers, none of the other Directors is deemed to be interested or concerned with the Resolution No 4 and 6.

Save and except Shri Jatinder Singh, none of the other Directors is deemed to be interested or concerned with the Resolution No 5.

Save and except Shri Jaleshwar Narain Singh, none of the other Directors is deemed to be interested or concerned with the Resolution No 7

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

ITEM NO. 8.

As per the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors of the Company cannot, except with the permission of the Shareholders in General Meeting, borrow monies in excess of the aggregate of the paid-up capital of the Company and its free reserves.

The increasing business operations and future growth plans of the Company would necessitate restructuring of the borrowing limits by authorizing the Board of Directors to borrow monies which may exceed at any time the aggregate of the paid-up capital of the Company and its free reserves but not exceeding Rs.350 Crores.

Your Directors commend the resolution for your approval. None of the Directors of the Company is, in any way, concerned or interested in the said resolution.

Regd. Office :

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

By order of the Board of Directors

Place : Kala – Amb (HP)
Date : 28th July, 2008.

Ashwani Kumar Aggarwal
Company Secretary



ANNEXURE TO THE AGM NOTICE

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

I. GENERAL INFORMATION				
(1) Nature of Industry	Paper Industry: The Company is engaged in the manufacture of Kraft paper which is used as a Raw Material in the Packaging Industry and commonly used Writing & Printing Paper.			
(2) Date of commencement of commercial production	The Company is engaged in commercial production for Kraft Paper since 1983 and started commercial production for Writing and Printing Paper on 30.03.2008.			
(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	N.A.			
(4) Financial performance based on given indicators.	The Financial Results for the Last three years are as follows:			
	Particulars	2007-08 (Rs. In lacs)	2006-07 (Rs. In lacs)	2005-06 (Rs. In lacs)
	Sales	8371.38	7486.19	6261.23
	EBIDT	1399.65	937.70	932.37
	PBT	1018.60	587.41	607.83
	PAT	716.79	383.30	451.79
(5) Export performance and net foreign exchange collaboration.	Nil			
(6) Foreign investments or collaborators, if any.	Nil			
II. INFORMATION ABOUT THE APPOINTEE/EXISTING MANAGERIAL PERSONNEL TO WHOM INCREASED REMUNERATION IS PROPOSED:	Shri Subhash Chander Garg, Chairman-cum-Whole Time Director	Shri Jatinder Singh, Co-chairman-cum-Whole-Time Director	Shri Umesh Chander Garg, Managing Director	Shri Jaleshwar Narain Singh, Executive Director
(1) Background Details	Shri Subhash Chander Garg aged 67 years is the Chairman-cum- Whole Time Director of the company. He is looking after the Marketing, Sales, Taxation and Company Law Matters, ably assisted by the respective department heads. He has been associated with the company since its inception as Promoter Director.	Shri Jatinder Singh aged 53 years is the Co-chairman-cum-Whole-Time Director of the Company. He is an Engineering graduate and is looking after Finance, Administration and HR Functions. He is associated with the company since its inception as Promoter Director	Shri Umesh Chander Garg aged 59 years is the Managing Director of the Company. He is looking after the production, maintenance & Plant erection and expansion programmes. He is associated with the company since its inception as Promoter Director	Shri Jaleshwar Narain Singh aged 55 years is the Whole -Time Director designated as the Executive Director of the Company. He is a Science graduate and is looking after Production. He has an experience of over 24 years in the paper industry.
(2) Past Remuneration	Rs. 2.75 Lac p.m. + 20% (HRA) plus benefits as per Schedule XIII	Rs. 2.75 Lac p.m. + 20% (HRA) plus benefits as per Schedule XIII	Rs. 2.75 Lac p.m. + 20% (HRA) plus benefits as per Schedule XIII	Rs. 65000/- p.m. plus benefits as per Schedule XIII
(3) Recognition or awards	He is closely associated with the ROTARY CLUB and has also served as Dist. Governor, D.I.-3080.	—	He is a President of Chamber of Commerce and Industries, Kala-Amb.	—
(4) Job Profile and his suitability	As per (1) above	As per (1) above	As per (1) above	As per (1) above
(5) Remuneration proposed	Rs. 3,75,000 p.m. + 20 % (HRA) + other benefits as disclosed in the resolution	Rs. 3,75,000 p.m. + 20 % (HRA) + other benefits as disclosed in the resolution	Rs. 3,75,000 p.m. + 20 % (HRA) + other benefits as disclosed in the resolution	Rs. 90000/- p.m. plus other benefits as disclosed in the resolution
(6) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin)	Between five Lacs to ten Lacs per mensem	Between five Lacs to ten Lacs per mensem	Between five Lacs to Ten Lacs per mensem	Between Four Lac to Five Lacs per mensem
(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	No pecuniary relationship with the Company except that Shri Umesh Chander Garg, Managing Director is the brother of Shri Subhash Chander Garg.	—	No pecuniary relationship with the Company except that Shri Subhash Chander Garg, Chairman-cum-Whole-Time Director is the brother of Shri Umesh Chander Garg.	—



III.	OTHER INFORMATION:	
	(1) Reasons of loss or inadequate profits	Keeping in line with the Industry Standards and in view of additional responsibilities, the remuneration of Chairman, Co-chairman, Managing Director and Executive Director is proposed to be increased payable as per the provisions of the Companies Act after getting the Central Government approval. Due to heavy depreciation charge & interest outflow and initial obstacles in newly set up Writing & Printing Unit, the profits of the company will be under pressure; therefore, the company proposes to pay the proposed remuneration as minimum remuneration.
	(2) Steps taken or proposed to be taken for improvement	The Company has started the commercial activity on 30.03.2008 in the newly installed 33000 TPA Writing and Printing Paper unit to augment its product base and market share.
	(3) Expected increase in productivity and profits in measurable terms	The production capacity of Writing and Printing Papers Unit is at 33000 TPA which has started commercial activity on 30.03.2008 besides the existing capacity of Kraft Paper at 52800 TPA. The profits (PAT) for the Kraft and Writing and Printing paper unit for the financial year 2008-2009 is appraised at Rs.2558 Lacs (approx.) by financial institutions extending the loans to the company.
IV.	DISCLOSURES:	
	(1) Remuneration Package	<p>(i) Shri Subhash Chander Garg, Chairman, Shri Jatinder Singh, Co-chairman and Sh. Umesh Chander Garg, Managing Director, each of them would be entitled to the following remuneration:</p> <ol style="list-style-type: none"> 1. Salary: Rs. 3,75,000/- (Rupees Three Lacs and Seventy Five thousand Only) per month. 2. House Rent Allowance @ 20 % of Salary per month. 3. Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of Rs. 1,00,000/- in a year. 4. Club Fees: Fees for One Club not exceeding Rs. 20,000/- per year. 5. Conveyance: Company's Car with Driver for Official Use. 6. Telephone: Mobile and Telephone Facility at the residence for office purpose. 7. Provident Fund: Company's Contribution towards Provident Fund shall be as per the rules of the Company i.e. 12 % of the Basic Salary. 8. Gratuity: Payable at a rate not exceeding half a month's salary for each completed year of service. <p>(ii) Shri Jaleshwar Narain Singh, Executive Director, would be entitled to the following remuneration and prerequisites:</p> <ol style="list-style-type: none"> 1. Salary : Rs. 90,000 (Rupees Ninety thousand only) per month. 2. Conveyance Allowance @ Rs. 800 per month. 3. Telephone: Mobile and Telephone facility at residence. 4. Leave encashment as per the rules of the company. 5. Company's Car with Driver for office use. 6. Provident Fund: Company's Contribution towards Provident Fund shall be as per the provisions of the Provident Fund Act. 7. Gratuity : Payable at a rate not exceeding half a months salary for each completed year of service as per Gratuity Act.

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

Particulars	Mr. Avtar Singh Bajwa
Date of Birth	12.06.1944
Date of Appointment	24.09.2004
Qualifications	Graduate in Arts
Expertise in Specific functional area	Material Management and Civil Personnel Management
Directorship of other companies (excluding foreign companies)	Nil
Chairman/ Member of committees* of the Board of Companies of which he is a director	Ruchira Papers Limited: Audit Committee Remuneration Committee
Shareholding of Non-Executive Directors as stated in Clause 49 (IV) (E) (V) as on 31.03.2008	100

* includes Audit, Remuneration and Shareholders/ Grievance Committees.

DIRECTORS' REPORT

Dear Shareholders,

Your Directors are pleased to present the 28th Annual Report together with the Audited Statement of Accounts for the year ended 31st March, 2008.

Financial Results

The operating and financial results for the financial year ended 31st March, 2008 are as follows:

Rs. in Lacs

Particulars	2007-2008	2006-2007
Sales	8371.38	7486.19
Other Revenue Receipts	37.95	55.52
Profit (Before Interest, Depreciation & Taxes)	1399.65	937.70
Less : Depreciation	193.76	189.42
Interest	187.29	160.87
Profit before Tax	1018.60	587.41
Less: Provision for Tax	301.81	204.11
Net Profit after Tax	716.79	383.30

Result of Operations

The Sales of the Company for the year under review increased to Rs.8371.38 Lacs as compared to Rs. 7486.19 Lacs in the previous financial period, registering a growth of 11.82 %. The operating profit (EBIDT) of the Company grew from Rs.937.70 Lacs in previous period to Rs. 1399.65 Lacs in the year under review. The operating profit (EBIDT) of the company was 16.71% of the sales during F.Y.2007-08 against 12.52 % in F.Y.2006-07. The operating profits have increased due to better realization of price of finished paper even though there is increase in the prices of the raw materials, chemicals and fuel.

Dividend

In order to conserve the resources and to strengthen the financial base of the company and funds requirement for the smooth working of Writing and Printing Paper unit which has started commercial production from 30.03.2008, your directors do not recommend any dividend for the year ended 31st March, 2008.

Initial Public Offer(IPO)

The Company has raised Rs 2850 Lacs through Initial Public Offering in the month of November 2006 to part finance the 100 TPD Writing & Printing Paper Unit. The company has fully deployed the full proceeds of the IPO for the said project. The revised total Project Cost is appraised at Rs 153.49 Crore by the financial institutions.

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

Expansion Projects

The Company has set up Writing and Printing paper plant

with a capacity of 33000 TPA along with 5.6 MW Co-Generation Power Plant at the site adjacent to the existing plant. The company has successfully started its operations with effect from 30th March 2008. However, the installation of Chemical Recovery Plant and 1.6 MW Power Plant is in advance stage of implementation and likely to be commissioned by September/October 2008. The commissioning of this Chemical Recovery Plant and 1.6 MW Power Plant will further strength the bottom-line of the company. The total cost of the project envisaged is Rs. 15349.70 Lacs as appraised by Punjab National Bank. The project is financed through term loan amounting to Rs. 10588 Lacs and balance has been raised through equity and internal accruals.

Directors

The Board of Directors in its meeting held on 29th October 2007, appointed Shri Jatinder Singh as the Co-chairman of the company and re-designated him as Co-chairman cum Whole Time Director of the company as per amended Article 63 & 97 of the Company.

In accordance with the provisions of the Companies act, 1956 and the Articles of Association of the Company, Shri Avtar Singh Bajwa, Director of the Company will retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for re-appointment

Fixed Deposits

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

Management Discussion and Analysis

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

Corporate Governance

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

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

Auditors

M/s I. Chander Goel & Co., Chartered Accountants, Jagadhri, Statutory Auditors of the Company, retire at the conclusion of ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

The Company has received letter from them to the effect that their appointment/ reappointment, if made, would be



within the prescribed limits under Section 224(1B) of the Companies Act, 1956 and that they are not disqualified for such appointment/ re-appointment within the meaning of Section 226 of the said Act

Auditors' Report

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

Cost-Audit

To comply with the provisions of Section 233 B of the Companies Act, 1956 the Board of Directors has re-appointed, subject to the approval of the Central Government, M/s Sanjay Kumar Garg & Associates, Cost Accountants as Cost Auditors of the Company for the period ending 31st March, 2009.

Energy Conservation, Technology Absorption, Foreign Exchange earnings and outgo

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

Particulars of Employees

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

Directors' responsibility statement under section 217 (2aa) of the Companies act, 1956

The Statement of the Directors' Responsibility on the

Annual Accounts of the Company for the year ended March 31, 2008 is given as follows :-

- a. that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent , so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2008 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.

Place : Kala-Amb
Dated : 28 July, 2008

Jatinder Singh
Co-chairman-cum-
Whole Time Director