



30TH ANNUAL REPORT 2009-10



RUCHIRA PAPERS LIMITED

Regd. Office: Trilokpur Road, Kala-Amb

Distt. Sirmour (H.P.)-173030

www.ruchirapapers.com

BOARD OF DIRECTORS

Chairman cum Whole Time Director

Jatinder Singh

Co-Chairman cum Whole Time Director

Subhash Chander Garg

Managing Director

Umesh Chander Garg

Executive Director

Jaleshwar Narain Singh

Independent Directors

Dalbir Singh

Surinder Gupta

Sawtantar Kumar Dewan

Col. (Retd.) Avtar Singh Bajwa

Company Secretary

Hussan Kumar

Registered Office & Works

Trilokpur Road, Kala Amb,

Distt. Sirmour

Himachal Pradesh-173030

Administrative Office

21-22, New Professors Colony,

Yamuna Nagar-135001

Haryana

Auditors

J.L. Garg & Co.

Chartered Accountants

Head Office :

J-34, Lower Ground Floor

South Extension Part-1

New Delhi-110049

Branch Office :

Railway Road,

Jagadhri (Haryana)-135003

Registrar

Link Intime India Pvt Ltd.

C-13, Pannalal Silk

Mills Compound,

LBS Road, Bhandup (W)

Mumbai-440078

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NOTICE

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

ORDINARY BUSINESS:

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

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

SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9. Increase in Remuneration of the Whole Time Director

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

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

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

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

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

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

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

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

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

10. Increase in Remuneration of the Managing Director

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

"RESOLVED THAT pursuant to the provisions of

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

14. **Increase in Sitting Fee**

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

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

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

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

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

Regd. Office :

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

By order of the Board of Directors

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

Hussan Kumar
Company Secretary

Notes:-

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Your Directors commend the resolution for your approval.

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

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

ITEM NO. 14.

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

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

ITEM NO. 15.

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

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

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

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

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

**By order of the Board
of Directors**

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

Hussan Kumar
Company Secretary

ANNEXURE TO THE AGM NOTICE

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

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

	(5) Remuneration proposed	Rs. 4,75,000 p.m.+ 20% (HRA)+other benefits as disclosed in the resolution	Rs. 4,75,000 p.m.+ 20% (HRA)+other benefits as disclosed in the resolution	Rs. 4,75,000 p.m.+ 20% (HRA)+other benefits as disclosed in the resolution	Rs. 1,60,000/-pm plus other benefits as disclosed in the resolution.
	(6) Comparative remuneration profile with respect to industry, size of the Company profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin).	Between five lacs to ten lacs per mensem	Between five lacs to ten lacs per mensem	Between five Lacs to ten lacs per mensem	Between four to five lacs per mensem
	(7) Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.	---	No pecuniary relationship with the Company except that Shri Umesh Chander Garg, Managing Director is the brother of Shri Subash Chander Garg	No pecuniary relationship with the Company except that Shri Subhash Chander Garg, Chairman cum- Whole-time Director is the brother of Shri Umesh Chander Garg.	---
III.	OTHER INFORMATION:				
	(1) Reasons of loss or inadequate profits	Due to draught like situations in FY 2009-10 there was steep increase in prices of agricultural residue and subsequent reduction in the sale prices and due to market forces the Company could not pass this impact to its customers. The increased depreciation and interest cost, being the second year of operation of new plant, resulted in loss during the FY 2009-10.			
	(2) Steps taken or proposed to be taken for improvement	The Company has started the commercial activity on 30.03.2008 in the newly installed 33000 TPA Writing and Printing Paper unit to augment its product base and market share. The Company has stabilized its Writing & Printing unit by utilizing its capacity at optimum level and is achieving higher economy of scales and subsequent reduction in raw material prices after good monsoon and increased sale price.			
	(3) Expected increase in productivity and profits in measurable terms	The Company has achieved higher capacity utilization 87.10% during the FY 2009-10 and same is expected to increase further upto 93.85%. A Net profit of Rs 417.03 lacs has been registered during the 1 st quarter of FY 2010-11, which is expected to improve further.			
IV.	DISCLOSURES:				
	1) Remuneration Package	<p>(i) Shri Jatinder Singh, Chairman-cum- Whole Time Director, Shri Subhash Chander Garg Co-chairman -cum- Whole Time Director and Sh. Umesh Chander Garg, Managing Director, each of them would be entitled to the following remuneration:</p> <ol style="list-style-type: none"> Salary: Rs. 4,75,000/- (Rupees Four Lacs and Seventy Five thousand Only) per month. House Rent Allowance @ 20 % of Salary per month. Medical Reimbursement: Expenses incurred for self and family subject to a ceiling of Rs. 1,00,000/- in a year. Club Fees: Fees for One Club not exceeding Rs. 20,000/- per year. Conveyance: Company's Car with Driver for Official Use. Telephone: Mobile and Telephone Facility at the residence for office purpose. Provident Fund: Company's Contribution towards Provident Fund shall be as per the provisions of the Act. Gratuity: Payable at a rate not exceeding half a month's salary for each completed year of service. <p>(ii) Shri Jaleshwar Narain Singh , Executive Director, would be entitled to the following remuneration and perquisites:</p> <ol style="list-style-type: none"> Salary : Rs 1,60,000/- (Rupees One Lac and Sixty thousand only) per month. Conveyance Allowance @ Rs. 800 per month. Telephone: Mobile and Telephone facility at residence for office purpose. Company's Car with Driver for office use. Provident Fund: Company's Contribution towards Provident Fund shall be as per the provisions of the Act. Gratuity : Payable at a rate not exceeding half a month's salary for each completed year of service as per Gratuity Act. 			