



Ability & Responsibility

Ruchira Papers Limited
Annual Report 2021/22



Forward-looking statement

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

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Ability & Responsibility

The Company has established itself as an accomplished provider of writing & printing and Kraft paper grades across India.

The Company deepened its respect as a responsible manufacturer when it embarked on a sizable effluent treatment investment in FY 2021-22.

The combination of ability and responsibility has enlarged the Company's respect as a forward-looking paper company with sustainable long-term prospects.

CORPORATE SNAPSHOT

*Competence and character.
Intellect and integrity.
Ability and responsibility.*

These attributes encapsulate the personality of Ruchira Papers Limited.

The Company has grown sustainably across the decades.

The Company has emerged as a dependable provider of different paper grades.

The Company also possesses a credible Balance Sheet that represents a foundation for the next round of growth.

Our core values

Honesty

To be principled, straight forward and fair in all dealings.

Integrity

Maintaining the highest standards of professionalism.

Flexibility

Adapting ourselves to always stay a step ahead of change.

Respect for individual

Giving each person room to contribute and grow.

Respect for knowledge

To acquire and apply leading-edge expertise in all aspects of our business.

Team performance

The team comes first; none of us is as good as all of us.

Our background

In 1980, Ruchira Papers Limited commenced the business of paper manufacture. The Company was started by Umesh Chander Garg, Jatinder Singh and Subhash Chander Garg, who remain connected with the organisation. Through the last decade and a half, the next generation of the promoter family have established their presence with delegated responsibilities.

Capabilities

The Company started operations with an capacity of seven tonnes per day (TPD) of kraft paper. Over time, the Company increased its production capabilities. It produced 87,835 MT of kraft paper and 52,853 MT of writing and printing paper in FY 2021-22, making it an attractive moderately sized paper manufacturer in North India.

Product portfolio

Ruchira Papers produces and markets kraft paper as well as writing and printing paper grades. The Company established a dependable recall, scale and leadership in North India where a majority of its products are sold.

The Company's writing & printing paper is utilised in notebooks, writing material, wedding cards, shade cards, colouring books and bill books. During the year, company started the production of cup stock paper and wedding card paper in its writing and printing segment called 'Neer' and 'Mogra' respectively. Neer is suitable for hot and cold food and beverages whereas Mogra is used for wedding invitations and announcements, enjoying applications across a variety of users. The copier paper manufactured by the Company is trusted across commercial offices

and merchant copying service providers. The Company's kraft paper is used in the packaging industry, especially in the fabrication of corrugated boxes, composite cans, fibre drums, textile cones/ream wrappers, food packaging and other packaging needs.

Manufacturing facility

The Company's manufacturing facility is located in Kala-Amb, Himachal Pradesh, on the Chandigarh-Dehradun highway. The facility is proximate to raw materials and consumption markets, moderating the Company's logistical carbon footprint.

Our resources

The Company consumes renewable agricultural resources that provide livelihoods to hundreds of farmers. The raw materials for writing & printing paper comprise wheat straw, bagasse, sarkanda and other fillers; resources for kraft paper comprise bagasse, wheat straw, sarkanda and waste paper (imported and indigenous used as per finished product characteristics).

Employees

The Company comprised around 1,000 employees at the close of FY 2021-22. The competence of employees comprised capabilities in manufacture, procurement, sales, finance, talent management, legal and strategic direction setting, among others.

Brands

The Company invested in a cup stock paper brand called 'Neer' suitable for hot and cold beverages and wedding card paper called 'Mogra'. These brands attracted customer traction, resulting in enhanced realisations over the prevailing average.

Certifications

The Company's process and product consistency have been validated through IS 14490:2018 by the Bureau of Indian Standards for plain copier paper, ISO 9001:2015 and FSC certifications.

Listing

The Company is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE). The Company's market capitalisation was Rs.290.23 Crore as on 31st March 2022. The Company's shares appreciated 85.58 per cent during the year under review.

Awards

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

- Udyog Ratna Award by Himachal Pradesh in 2005
- Appreciation award from Himachal Pradesh Corrugated Box Manufacturers Association in 2009
- Certificate of Excellence from INC 500 in 2013

HOW OUR PRODUCTS ARE APPLICABLE IN EVERYDAY LIFE IN INDIA

E-COMMERCE

INDIAN MARKET SIZE

The Indian e-commerce market at USD 38 Billion in 2021

GROWTH IN INDIA

Indian e-commerce market is expected to reach USD 120 Billion by 2026

SUPPORTING GOVERNMENT POLICIES

Ban on the use of identified single-use plastic items in India from 1st July 2022.



RUCHIRA'S RELEVANT PAPER USE IN PRODUCTS

Corrugated board boxes, carrier and shopping bags, paper drums, ream wrappers, floor and sugar packs, food packaging and other packaging needs

TEXTILE

INDIAN MARKET SIZE

Textiles and garments industry was USD 103.4 Billion in 2020-21.

GROWTH IN INDIA

Textiles and garments industry is anticipated to grow USD 190 Billion by 2025-26

SUPPORTING GOVERNMENT POLICIES

PLI scheme in man-made fibers and technical textiles (outlay of Rs.10,683 Crore)



RUCHIRA'S RELEVANT PAPER USE IN PRODUCTS

Corrugation boxes, carrier and shopping bags, high-quality packaging solutions.

PHARMACEUTICAL

INDIAN MARKET SIZE

India's domestic pharmaceutical market is at USD 42 Billion in 2021

GROWTH IN INDIA

India's domestic pharmaceutical market is expected to reach USD 65 Billion by 2024 and could expand to ~USD 120-130 Billion by 2030

SUPPORTING GOVERNMENT POLICIES

Total government outlay of Rs.500 Crore (USD 665.5 Million) for the period FY 2021-22 to FY 2025-26



RUCHIRA'S RELEVANT PAPER USE IN PRODUCTS

Sterile medical packaging, cores, cones, composite cans and fibre drums.

High compression kraft paper, tube grade (high ply bond), corrugated board boxes, paper bags, paper drums and ream wrappers

WRITING INSTRUMENTS AND EDUCATION INDUSTRY

INDIAN MARKET SIZE

The education sector in India was estimated to be worth USD 117 Billion in FY 2019-20

GROWTH IN INDIA

The education sector in India is expected to reach USD 225 Billion by FY 2024-25.

SUPPORTING GOVERNMENT POLICIES

Samagra Shiksha Scheme allocation increased 20.3 per cent from Rs.31,050.16 Crore (USD 4.16 Billion) in FY 2021-22 to Rs.37,383.36 Crore (USD 5.01 Billion) in FY 2022-23.



RUCHIRA'S RELEVANT PAPER USE IN PRODUCTS

Notebooks, spiral notebooks, writing material, children's colouring books, textbooks, stationery, note pads & registers

EVENT MANAGEMENT INDUSTRY

INDIAN MARKET SIZE

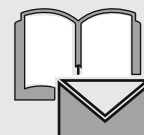
The Indian event and exhibition market was valued at USD 3,674.95 Million in FY 2021-22

GROWTH IN INDIA

The Indian event & exhibition market is expected to reach USD 7,550.05 Million by 2027

SUPPORTING GOVERNMENT POLICIES

This is a growing segment in line with increased per capita income, which is an outcome of the country's general economic direction and policies.



RUCHIRA'S RELEVANT PAPER USE IN PRODUCTS

Wedding cards, shade cards, high quality envelopes, cards, boxes & paper bags, brochures, annual reports, diaries, leaflets, invitations, announcements and advertising material.

OFFICE & STATIONERY

INDIAN MARKET SIZE

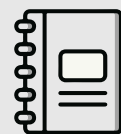
Revenue in the Hobby & Stationery segment is projected to reach USD 4,047.00 Million in 2022

GROWTH IN INDIA

Revenue is expected to show an annual growth rate (CAGR 2022-2025) of 22.37 per cent, resulting in a projected market value of USD 7,415.00 Million by 2025

SUPPORTING GOVERNMENT POLICIES

This is an outcome of the country's focus on education and commerce, strengthening paper offtake.



RUCHIRA'S RELEVANT PAPER USE IN PRODUCTS

Copier paper for all your home, office and multipurpose use. Multicolor printing and publishing of books, writing and printing. Commercial diaries. Stationery, base paper for thermal coating, rolls for fax, ATM, POS & barcoding tray mats. Multipurpose colour printing, bill books, brochures, leaflets, advertising material, spiral notebooks, handbills scrapbooks.

BEVERAGES

INDIAN MARKET SIZE

India's non-alcoholic beverages market was Rs.671 Billion in 2019

GROWTH IN INDIA

India's non-alcoholic beverages market is expected to grow to Rs.1.47 Trillion by 2030 at a compound annual growth rate (CAGR) of 8.7 per cent

SUPPORTING GOVERNMENT POLICIES

The non-alcoholic beverage sector has a crucial role to play in driving overall India's lifestyle growth.



RUCHIRA'S RELEVANT PAPER USE IN PRODUCTS

Cupstock paper

(Source: financialexpress.com, livemint.com, statista.com, mordorintelligence.com, marketresearch.com, ibef.org, investindia.gov.in, economictimes.com)

How we have evolved across the years

1980

Went into business

1983

Commenced
commercial
production of kraft
paper with 7 TPD

FY 05-06

Crossed the turnover
threshold of Rs.50
Crore

FY 92-94

Installed PM 2 for
manufacturing Kraft
paper

FY 06-07

Made an Initial
Public Offer of
Rs.2,850 Lakh; listed
on NSE and BSE



FY 07-08

Commenced the manufacturing of writing & printing paper

FY 09-10

Crossed Rs.200 Crore in turnover

FY 12-13

Crossed Rs.300 Crore in turnover

FY 15-16

Certified for FSC by Rainforest Alliance



FY 16-17

Crossed production of 1,00,000 MT of kraft paper as well as writing & printing Paper. Crossed Rs.400 Crore in turnover

FY 19-20

Achieved highest production of 1,34,048 MT for kraft paper as well as writing & printing paper.

Embarked on a Rs.44 Crore modernisation & upgradation in the writing & printing paper segment; launched white copier paper.

FY 20-21

Accredited with IS 14490:2018 by Bureau of Indian Standards for Plain Cop

FY 21-22

Started manufacturing new grades of paper for cup stock and wedding cards.

Crossed Rs.600 Crore in turnover.

Invested Rs.20.82 Crore on ETP upgradation to deepen our commitment towards environment sustainability.

How the paper industry performed in the last two years, FY 2020-21 and FY 2021-22

Demand and realisations for writing and printing paper were influenced by the sustained closure of educational institutions

Kraft paper demand improved and rode e-commerce demand growth

There was a preference for environment-friendly varieties in preparation for the government's restriction on plastic packaging

There was a sharp improvement in demand and realisations across varied sectors by the last quarter of FY 2021-22