



COMMITTED TO THE EARTH

www.ruchirapapers.com

**RPL/CS/BSE/NSE/2019-20/**

**30.08.2019**

**To**

The General Manager,  
Department of Corporate Service,  
BSE Limited,  
P. J. Tower, Dalal Street, Fort,  
Mumbai-400 023  
Scrip Code: **532785**

National Stock Exchange of India Limited,  
Exchange Plaza, Plot No. C/1  
G. Block , Bandra Kurla Complex,  
Bandra (E),  
Mumbai 400051  
Trading Symbol: **RUCHIRA EQ**

**SUB: 39<sup>th</sup> ANNUAL REPORT OF THE COMPANY FOR THE FY 2018-19.**

Dear Sir/Madam,

Please find attached 39<sup>th</sup> Annual Report of the Company for the FY 2018-19 along with notice of Annual General Meeting of the company to be held on Wednesday, 25<sup>th</sup> September 2019 at 11.15 AM at Hotel Black Mango, Nahan Road, Kala Amb-H.P-173030.

This is for your information, records and action please.

**Thanking You,  
For Ruchira Papers Limited**

**Vishav Sethi  
Company Secretary  
FCS-9300**



**Encl: As Above.**

RUCHIRA PAPERS LIMITED

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DELHI OFFICE

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# There is no finish line

Ruchira Papers Limited | Annual Report 2018-19

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#### 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 realised, 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 materialise, 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 as a result of new information, future events or otherwise.

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The paper used for printing this Annual Report is manufactured by Ruchira Papers.

# There is no finish line



At Ruchira Papers, 'There is no finish line' is not just another statement.

It represents the foundation of our business model.

Indicating that in our pursuit of excellence, the journey is indeed endless.

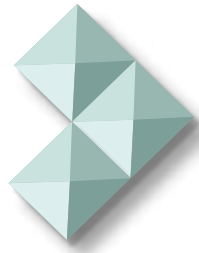
Where improvements are made continuously.

Where the business is sustainably strengthened.

Where more is extracted from less.

The result of this commitment is that the Company has serviced a larger spread of customers, reported a profit for every single year in the last decade, enhanced shareholder value and reinforced its positioning as a responsible corporate citizen.

# The world of Ruchira Papers Limited



## Values

**Honesty:** To be principled, straightforward 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 the 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.

## Legacy

Ruchira Papers Limited started the business of paper manufacturing in 1980. The Company was promoted by Mr. Umesh Chander Garg, Mr. Jatinder Singh and Mr. Subhash Chander Garg, who are associated with the Company. The Company commenced operations with production capacity of seven tons per day (TPD) of kraft paper in 1983. In 2006, the Company diversified into the manufacture of writing & printing paper through a new plant at Kala-Amb (H.P.) adjacent to its kraft paper unit, starting commercial production in 2008 with capacity of 100 TPD.

## Facility

The Company's state-of-the-art manufacturing facility is based in Kala Amb, Himachal Pradesh, on the Chandigarh-Dehradun highway.

## Certified

The Company's robust processes have been recognised and accredited with an ISO 9001:2015 certification and FSC Certification, assuring customers of a compliance with quality management norms.

## Listing

The Company is listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE). The Company's market capitalisation stood at ₹253 Crores as on 31st March, 2019.

## Products

Ruchira Papers manufactures and markets kraft paper as well as writing & printing paper. The Company is a prominent player in these segments in Northern India. The Company's writing & printing paper finds application in note books, writing material, wedding cards, shade cards, children's colouring books, copier paper and bill books. The Company's kraft paper is used widely in the packaging industry especially in the fabrication of corrugated boxes and other packaging material.

## Our numbers

Revenues (₹ Crores), FY18-19

493.99

PAT (₹ Crores), FY18-19

40.24

EBITDA margin (%), FY18-19

16.62

Enterprise Value, March 31, 2019 (₹ Crores)

281.10

Promoters' holding (March 31, 2019)

64.07%

Institutional holding (March 31, 2019)

0.68%

Team size

1007

Contribution to social uplift, FY18-19 (₹ Lakhs)

66.92

## Products Writing and printing paper & kraft paper

### Our product basket

Raw materials for writing and printing paper comprise agriculture residue i.e. wheat straw, baggase and sarkanda, imported softwood pulp and other fillers and raw materials for kraft paper comprise waste paper (Indian and Imported) and agriculture residue like baggasse, wheat straw and sarkanda).

Applications of writing and printing paper: Notebooks, writing material, spiral notebooks, wedding cards, shade cards, children's coloring books, colored copier paper and bill books are driving the demand for this product.

Applications of kraft paper: Corrugated boxes/cartons and for other packaging products like textile tubes and paper core-pipes.

## Writing and printing paper

Brand	Variants	Colors	GSM	Brightness	Usage
Kora	White Lined: Hindi/Eng/Math/ Science	–	54-160 GSM	+88%	<ul style="list-style-type: none"> <li>Writing &amp; printing</li> <li>Notebooks</li> <li>Textbooks</li> <li>Stationery</li> <li>Note pads</li> <li>Resisters</li> <li>Base paper for thermal coating</li> <li>Rolls for fax</li> <li>ATM</li> <li>POS and bar coding</li> <li>Tray mats</li> </ul>
Safeda	Super White	–	54-160 GSM	+90%	<ul style="list-style-type: none"> <li>Writing &amp; printing</li> <li>High quality notebooks</li> <li>Textbooks</li> <li>Stationery</li> <li>Note pads</li> <li>Registers</li> <li>Children's books</li> <li>Diaries and calenders</li> </ul>
Tarang	Coloured	<ul style="list-style-type: none"> <li>Lemon</li> <li>Mint</li> <li>Rose</li> <li>Sky</li> <li>Ivory</li> </ul>	70, 75, 80 GSM	+85-90%	Multipurpose copier paper for writing and printing, Executive Range
Mela	Coloured	<ul style="list-style-type: none"> <li>Lemon</li> <li>Mint</li> <li>Rose</li> <li>Sky</li> </ul>	49-160 GSM	–	<ul style="list-style-type: none"> <li>Multipurpose colour printing</li> <li>Bill books</li> <li>Brochures</li> <li>Leaflets</li> <li>Advertising material</li> <li>Spiral note books</li> <li>Bill books</li> <li>Hand bills</li> <li>Scrapbooks</li> <li>Lottery tickets</li> </ul>
Savera	Super White	–	58-160 GSM	+92%	<ul style="list-style-type: none"> <li>Writing &amp; printing</li> <li>High quality notebooks</li> <li>Textbooks</li> <li>Stationery</li> <li>Note pads</li> <li>Registers</li> </ul>
Karigar	White	–	90-160 GSM	+85%	<ul style="list-style-type: none"> <li>Writing &amp; printing</li> <li>High bulk</li> <li>Drawing sheets</li> <li>Cards</li> <li>Notes</li> <li>Labels</li> </ul>
Gehua	Natural	–	54-160 GSM	+73-76%	<ul style="list-style-type: none"> <li>Writing &amp; printing</li> <li>Brochures</li> <li>Annual reports</li> <li>Diaries</li> <li>Paper bags</li> <li>Envelopes</li> </ul>
Pahari	Coloured	<ul style="list-style-type: none"> <li>Sand</li> <li>Mint</li> <li>Vanilla</li> </ul>	70-160 GSM	–	<ul style="list-style-type: none"> <li>Print &amp; packaging</li> <li>High quality envelopes</li> <li>Cards</li> <li>Boxes</li> <li>Paper bags</li> </ul>

## Kraft paper

Maati	Kraft Brown	–	120-200 GSM	–	<ul style="list-style-type: none"> <li>Corrugated boxes</li> <li>Paper bags</li> <li>Disposable crockery</li> <li>Ream wrappers.</li> </ul>
Multani	Coloured Kraft	–	140-200 GSM		<ul style="list-style-type: none"> <li>Golden colour kraft</li> <li>Outer layer of corrugation boxes</li> <li>Paper bags</li> <li>High quality packaging solutions.</li> </ul>
Khadi	Kraft Brown (DTY/ POY) Ply Bond 350/450/600/800		180 -450 GSM		<ul style="list-style-type: none"> <li>Tube grade</li> <li>Paper tube</li> <li>Cores</li> <li>Cones</li> <li>Composite cans</li> <li>Fibre drums.</li> </ul>

# 1980

Incorporation of our Company.

# 1983

Commenced commercial production of Kraft Paper with 2310 tons per annum (TPA).

# 1988

Production capability increased from 2310 TPA to 5400 TPA of Kraft Paper.

# 1992-1994

PM-02 installed for manufacturing of Kraft Paper and production capability increased to 21000 TPA of Kraft Paper.

# 2000

Production capability increased to 26400 TPA of Kraft Paper.

# 2005-2006

- Crossed Turnover of ₹50 Crores and production of 38000 TPA of Kraft Paper.
- Awarded "Udyog Ratna" by PHD Chamber of Commerce and Industry, New Delhi.

# 2006-2007

Issued an IPO of ₹2850 Lakhs and listed on Bombay Stock Exchange (BSE) and National Stock Exchange (NSE).

## Milestones





## 2007-2008

Set up a new unit for manufacturing writing and printing paper with a production capability of 33000 TPA.

## 2012-2013

- Achieved turnover of ₹300 Crores.
- Maiden dividend declared of ₹1.00 per share.

## 2009-2010

Crossed a turnover of ₹200 Crores.

## 2015-2016

Certified for Forest Stewardship Council (FSC) Chain of Custody by Rainforest Alliance.

## 2016-2017

- Crossed production of 1,00,000 Tons of kraft paper as well as writing & printing paper.
- Crossed turnover of ₹400 Crores.

## 2017-2018

Announced a greenfield project for writing and printing paper at Chamakur Sahib in Punjab.

## 2018-2019

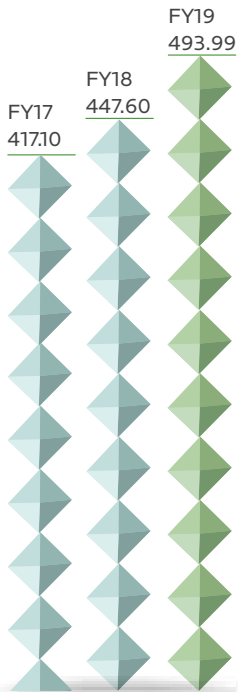
- Achieved production of 128831 MT.
- Achieved a turnover of ₹493.99 Crores.



# How we have grown over the years



## Revenues (₹ Crores)



### Definition

Growth in sales net of taxes.

### Why this is measured

It highlights the Company's product acceptance and reach.

### Performance

Aggregate sales increased by 10.36% to ₹493.99 Crores in FY18-19.

### Value impact

Helped sustain business sustainability and profitability.

## Profit after tax (₹ Crores)



### Definition

Profit earned during the year after deducting expenses and provisions.

### Why this is measured

It unambiguously highlights the strength of the business model.

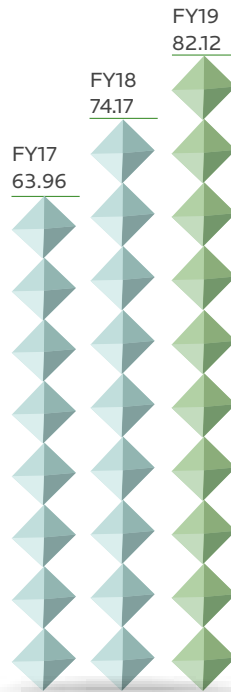
### Performance

The Company reported a 5.84% increase in profit after tax in FY18-19.

### Value impact

This ensures that adequate cash is available for reinvestment and business growth.

## EBITDA (₹ Crores)



### Definition

Earnings before the deduction of interest, depreciation, extraordinary items and tax.

### Why this is measured

The parameter showcases the Company's ability to optimise operating costs; it presents an index for comparison with the Company's retrospective average and sectoral peers.

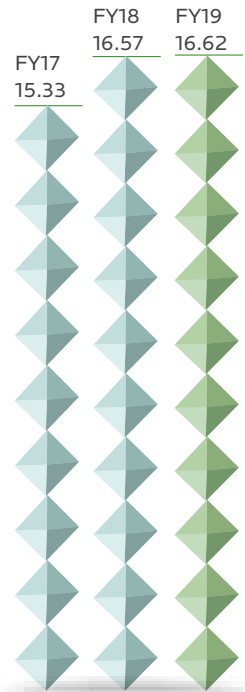
### Performance

The Company's EBITDA for FY18-19 stood at ₹82.12 Crores.

### Value impact

The cash produced by the operating business, before interest or depreciation provides a perspective on the operating competence of the Company.

## EBITDA margin (%)



### Definition

EBITDA margin is a profitability index used to measure a company's financial efficiency.

### Why this is measured

The measure provides an idea of how much a company earns (before accounting for interest and taxes) on each rupee of sale, expressed as a percentage.

### Performance

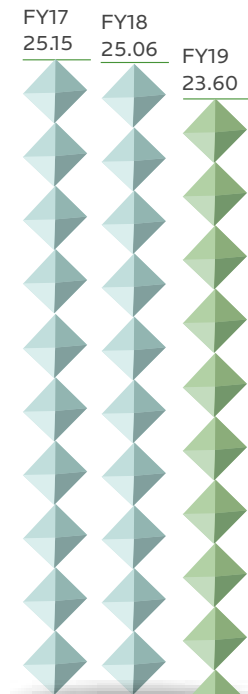
The Company reported a slight increase in EBITDA margin in FY18-19, enriching its portfolio with superior products and improved efficiency.

### Value impact

The measure indicates the buffer in the Company's business, which, when multiplied by scale, has helped enhance the available surplus.

## RoCE

(%)



### Definition:

This financial ratio measures a company's profitability and efficiency in deploying capital.

### Why this is measured

RoCE is a useful metric for comparing profitability across companies based on the amount of capital they consume, particularly significant for capital-intensive businesses.

### Performance

The measure represents an indication of prudent, yet profitable, investment that generates higher returns.

### Value impact

Enhanced RoCE can drive respect and valuation.

## Debt-equity ratio

(x)



### Definition

This is the ratio of debt to net worth (less revaluation reserves).

### Why this is measured

It is a measure of financial solvency.

### Performance

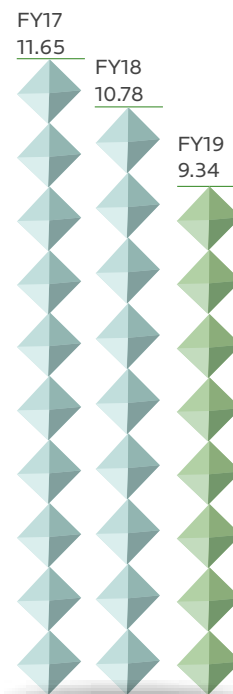
The Company sustained its gearing at a robust 0.11 in FY18-19.

### Value impact

This measures enhanced shareholder value and helped moderate debt cost.

## Debt-Cost

(%)



### Definition

This represents the average cost of the consolidated debt on the Company's books.

### Why this is measured

Indicates our ability to convince debt providers of the robustness of our business model, translating into a progressively lower debt cost.

### Performance

The Company's debt cost declined 262 bps across the last four years.

### Value impact

This strengthened the Company's ability to service debt and enhanced the credit rating (potentially leading to successive declines in debt cost).

## Interest cover

(x)



### Definition

This is derived through EBITDA divided by interest outflow.

### Why this is measured

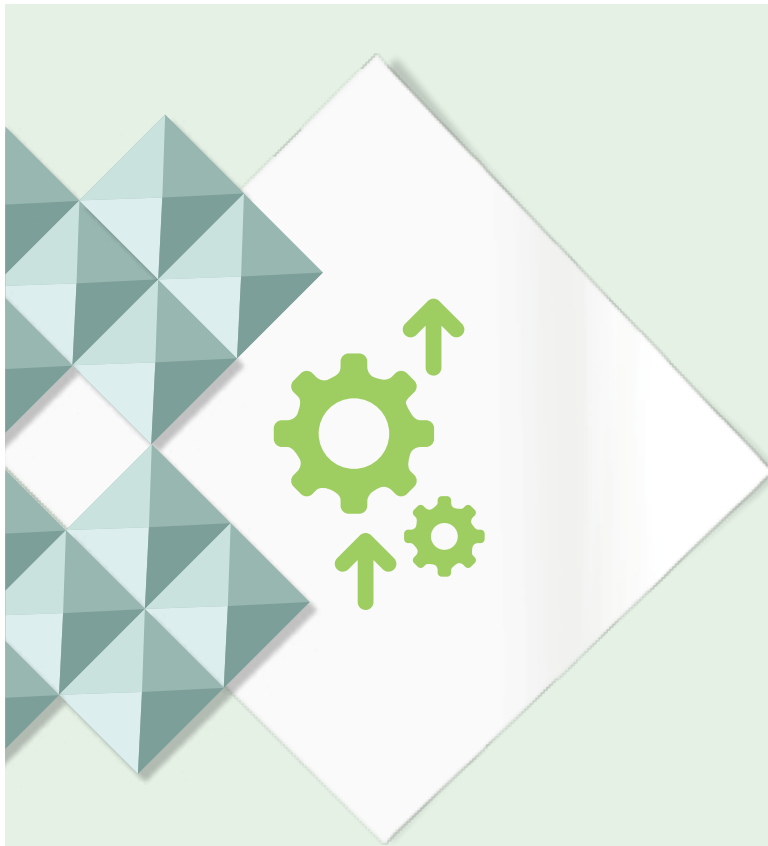
Indicates the Company's comfort in servicing its interest obligation (the higher the measurement, the more comfortable).

### Performance

The Company sustained its interest cover at an attractive 12.09 in FY18-19.

### Value impact

Strengthened ability to service debt helped enhance shareholder value.



“ Life is a race, and what matters most isn't when a person crosses the finish line, but how strong they've grown along the way.”

– Jen Stephens  
The Heart's Journey Home

## How we generated more from our manufacturing capability

**A**t Ruchira Papers, we are focused on a singular agenda: generating more from less.

This philosophy is not only confined to generating an optimal quantum of the end product from a given raw material resource; it also extends to the Company maximising output from available equipment and infrastructure.

This discipline was showcased at the beginning of the year under review.

A planned month-long shutdown was taken by the Company in the last month of FY17-18 to upgrade

its manufacturing capabilities and enhance throughput.

The result was that the Company improved its production ability in FY18-19.

The Company produced 128831 MT during the year under review, a y-o-y growth of 11.62% over the previous year.

In turn, this translated into a topline growth of 10.36% to ₹493.99 Crores during the year under review.

**Enhancing productivity.  
Reinforcing sustainability.**



“A horse that doesn't set foot on the track is certainly never going to cross the finish line, let alone win the race.”

– Richie Norton

## How we enhanced water security in a water-stressed world

**A**t Ruchira Papers, we recognise that in a water-intensive business, water security strengthens business sustainability.

Over the years, the Company strengthened its manufacturing process with the objective to moderate water consumption.

The Company enhanced worker awareness. Made recycling a central figure in quarterly reviews. Increased investments in equipment and processes.

The commitment translated into visible results.

The Company moderated water

consumption related to the manufacture of kraft paper from 12.51 cubic metres/per ton in FY17-18 to 11.57 cubic metres/ton of paper in FY18-19.

The Company rationalised water consumption related to the manufacture of writing & printing paper as well: from 43.86 cubic metre/ton of paper in FY17-18 to 40.58 cubic metre/ton of paper in FY18-19.

**Enhancing manufacturing responsibility.  
Strengthening resource security.**

“Perfection is not attainable, but if we chase perfection we can catch excellence.”

– Vince Lombardi



## How we produced more with less power

**A**t Ruchira Papers, we believe that the future belongs to companies with a moderate carbon footprint.

Over the years, this awareness enhanced the Company's commitment to reduce electricity consumption.

The Company strengthened processes. Replaced legacy equipment with modern equivalents. Encouraged workers to seek energy-efficient ways of working. Focused on energy waste reduction.

The result began to emerge in the numbers.

The Company successfully reduced

power consumption related to the manufacture of writing & printing paper from 1200 units/ton in FY17-18 to 1155 units/ton in FY18-19.

This reduction was creditable as it was achieved in the face of a higher production of value-added paper varieties, warranting higher power consumption.

The Company is optimistic of moderating power consumption related to the manufacture of kraft paper in FY19-20.

**Manufacturing better paper with less power.**

**Enhancing ecological friendliness.**



“ Productivity is never an accident. It is always the result of a commitment to excellence, intelligent planning and focused effort.”

– Paul J. Meyer

## Strengthening our raw material efficiency

**A**t Ruchira Papers, we believe that in a business where raw materials account for around 50% of the total cost of production, even a moderate improvement in resource mobilisation can have a disproportionately positive impact on profitability.

Over the years, the Company focused on enhancing resource efficiency through various measures.

The Company focused on the consumption of agriculture residues, waste paper and waste products. The Company monitored movements in

realisations for both products with the objective to capitalise on prevailing realities. The Company altered its resource mix with the objective to moderate costs without compromising product quality.

The result is that the Company utilised 65% waste paper and 35% agricultural residues in the manufacture of kraft paper. It utilises 80-82% agriculture residues, 5-7% imported wood pulp and fillers in the manufacture of writing & printing paper.

The Company utilised an interchangeable mix of agricultural

residues like wheat straw, bagasse and sarkanda with the objective to enhance quality and moderate costs. Besides, it stocked enough quantity of bagasse each year with the objective to capitalise on abundant seasonal availability and moderate costs.

The result is that raw material costs as a proportion of the Company's revenues declined from a peak of 55% over the last decade to 48.46% during the year under review, strengthening business sustainability.

**Reducing costs.  
Enhancing profitability.**

## MANAGEMENT'S OVERVIEW

“The management of Ruchira Papers will continue to do what it has always done – focus on generating more from given resources, strengthen the product mix, enhance realisations and reinforce customer relationships on the back of superior product quality.”

### OVERVIEW

**At Ruchira Papers, we are pleased to present our performance for FY18-19.**

**There are three principal messages that we wish to communicate.**

**One**, the Company reported record numbers (revenues, output and profit).

**Two**, the Company reported profitable growth in a challenging economy.

**Three**, the record numbers were the result of a long-term priority in generating more from less.

These realities indicate the robustness of our business model and our competitiveness in a large and growing sector.

#### Business imperatives

At Ruchira Papers, the foundation for the record numbers that we reported during the last financial year was laid a number of years ago, reinforced through a number of priorities.

We resolved that we would utilise resources considered waste by conventional industry.

We would maximise the use of every possible resource – infrastructure, equipment, people, processes and finite fuels or resources.

We would keep extending the frontier when it came to quality, product mix or value-addition.

We would fuse our technical knowledge with entrepreneurial capability to grow our Company.

We would enhance our environment-friendliness, moderating our carbon footprint – ahead of the standards of the day.

We are pleased to report that our commitment to these fundamentals resulted in a profit growth every single year across the last decade.

#### Commitment to growth

In the last annual report, the management had communicated its commitment to build a large greenfield manufacturing facility. The proposed facility to manufacture writing & printing paper at Chamkaur Sahib (Punjab) is expected to cover 185 acres, for which the Company acquired 109 acres during the year under review. In view of the growing difficulty in aggregating land, we consider this contiguous purchase to be an achievement.

The Company intended to acquire balance 75 acres from the local panchayat but that did not transpire due to technical and legal issues. In view of the delay in proceeding with this large greenfield investment, the Company focused on upgrading its existing facility through the use of debt and internal accruals of FY19-20.



## Awards

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

- Udyog Ratna Award by Himachal Pradesh in 2005.
- Forest Stewardship Council certificate from Rain Forest Alliance, New York, USA.
- Appreciation award from Himachal Pradesh Corrugated Box Manufacturers Association in 2009.
- Certificate of Excellence from INC 500 in 2013.

This underlines the management's commitment to grow the business in a sustainable manner.

The result is that the Company will invest around ₹70 Crores in upgradation and modernisation of its existing facilities at Kala Amb.

The capex will be directed at the upgradation of the writing & printing paper machines, replacing the existing Press Part including size press. Following this upgradation, the Company will be empowered to manufacture surface-sized paper of a higher surface strength and stiffness, required by publishers to print in four/five colours on the latest high-speed printing machines. We believe that the manufacture of this variety will enrich the Company's product mix and broad-base operations across a larger portfolio.

The Company also intends to strengthen its competitiveness in the notebook segment. Following the upgradation of the press section, paper dryness in the third press will improve and translate into enhanced manufacturing integrity. The Company also proposes to replace the existing 5.6 MW turbine with a new 6.1 MW equivalent, possessing superior manufacturing efficiency and throughput but utilising the same steam quantity.

## Building a responsible company

At Ruchira Papers, our focus is not

just to manufacture a larger quantity of paper but also to enhance our environment responsibility. Today, there is a greater premium on clean manufacturing processes with a moderate carbon footprint than ever before and your Company is playing a deeper role in this area.

The Company achieved the guidelines/conditions specified in the Ministry of Environment & Forest charter ahead of the 31st December 2019 deadline. The Company made proactive investments in line with the desired benchmarks related to water quality and recycling. As a committed corporate citizen, the Company intends to make further reductions in COD/BOD levels and improve the colour of discharged water following modifications and upgradation of the effluent treatment plant using the latest technologies. Besides, the Company shall improve the firing capacity of Black Liquor Solids to 250 TPD in the chemical recovery plant, which will generate additional power and steam from the chemical recovery plant and address increased pulp production.

At Ruchira Papers, we are optimistic of our prospects on account of the increasing government focus on the reduced use of plastic in everyday life. Over the last few years, this growing focus already translated into an enhanced utilisation of paper. As a forward-looking company that would minimise the seasonal nature of kraft

paper, the Company plans to modify its kraft paper machine number one to manufacture cup stock paper, strengthening the topline, bottomline and margins. This modification shall be completed by the fourth quarter of FY19-20, its benefits accruing from the first quarter of FY20-21.

We must assure shareholders that this proposed upgradation and modification of existing facilities will not affect our commitment to the implementation of our proposed greenfield project in Punjab. As soon as we get the panchayat land registered in Company's name, the management will commence activities, including seeking the necessary environmental clearance for the large greenfield project.

## Conclusion

The management of Ruchira Papers will continue to do what it has always done – focus on generating more from given resources, strengthen the product mix, enhance realisations and reinforce customer relationships on the back of superior product quality.

Given this commitment, we are optimistic of generating higher output, revenues and profits during the current financial year, strengthening our business sustainability.

## Management

Ruchira Papers Limited



OPERATIONAL  
REVIEW

**Q: Was the management pleased with the Company's performance during the year under review?**

**A:** The management was pleased with the performance of the Company during the year under review. The Company reported a 10.36% revenue growth during the year under review to ₹493.99 Crores in FY18-19 from ₹447.60 Crores in FY17-18. The Company's EBITDA grew from ₹74.17 Crores in FY17-18 to ₹82.12 Crores in FY18-19, a growth of 10.72%. This profitable growth was achieved against the background of a sluggish economy where GDP growth declined to 5.8% in the last quarter. This outperformance was the result of a superior product mix, capacity debottlenecking, increased operating efficiencies and a conservative Balance Sheet.

### Q: What were some specific reasons behind the profitable growth?

**A:** During the year under review, the Company reported higher kraft paper production of 77287 MT compared to 67999 MT in the previous year. Besides, the Company produced 51544 MT of writing and printing paper compared to 47425 MT in FY17-18. The increased output made it possible for the Company to amortise fixed costs more effectively, strengthening margins on the one hand and revenues on the other. The Company underlined its competence in manufacturing management, helping sweat the system more effectively and efficiently.

### Q: What was the other factor that strengthened the Company's performance?

**A:** The other factor that strengthened the Company's performance was the product mix. At a macro level, the combination of writing & printing paper served as an effective proxy of the country's educational and economic growth, translating into a larger consumption of paper. Besides, the consumption of kraft paper was largely catalysed by growth in the country's FMCG sector that was, in turn, driven by the sustained national consumption engine. Within these product categories, the Company selected to manufacture superior grades addressing specific downstream requirements.

During the year under review, this focus translated into increased net sales realisations: for writing & printing paper net realisations strengthened from ₹54,326 per MT in FY17-18 to ₹59,012 per MT in FY18-19, while the average realisation for kraft paper declined from ₹28,341 per MT in FY17-18 to ₹25,871 per MT in FY18-19. It is precisely a year like this one that validated the Company's business model, strengthening sustainability.

The Company's writing & printing product mix was marked by an attractive proportion of coloured paper of around 30%, strengthening realisations. Besides, within the kraft segment, the Company produced superior varieties like High Plybond, High BF Paper and Colour Kraft.

### Q: How does the Company intend to take its business ahead?

**A:** As a responsible corporate citizen, Ruchira has planned to upgrade its effluent treatment plant, expected to be completed by the end of FY19-20. This upgradation is expected to improve the colour of discharged water and reduce Chemical Oxygen Demand (COD)/ Biological Oxygen Demand (BOD) levels.

Besides, we expect to increase kraft paper production to 88,000 MT and writing & printing paper to 55,000 MT in the current financial year. We are optimistic that this increase in output

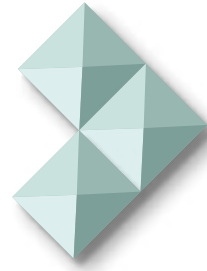
should translate into a 10-12% topline growth coupled with profitable growth.

### Q: What is the Company's capex plan?

**A:** In last year's annual report, the management had stated that it was seriously considering a greenfield expansion across 185 acres of land in Chamkaur Sahib (Punjab) for manufacturing writing and printing paper. We are pleased to report that 109 acres was acquired in FY18-19 and we expect to complete the acquisition of the remaining portion across the foreseeable future.

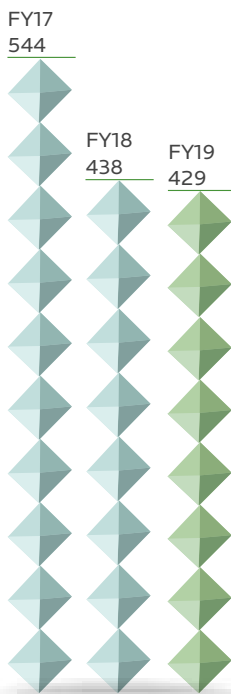
Owing to the legal issues delaying the greenfield expansion in Punjab, Ruchira meanwhile continued to invest in small capital expenditure. The Company intends to invest ₹70 Crores (approximately) for the modification of existing facilities in Kala Amb; 50% shall be funded through debt and the rest through accruals derived from FY19-20. This capex will modernise our writing & printing paper machine that makes it possible to manufacture surface-sized paper preferred by publishers. We also propose to replace our legacy 5.6 MW turbine with a modern 6.1 MW equivalent that makes it possible to generate more power with the same steam, translating into superior efficiencies.

# How we strengthened our business over the last 3 years



## Improved production per capital

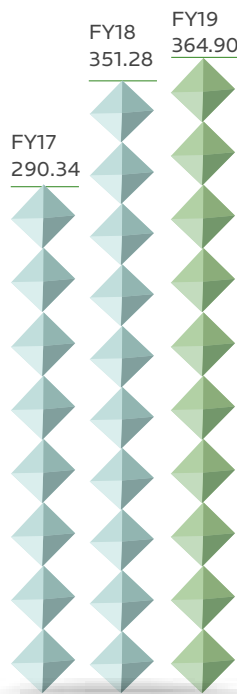
Production (in MT) per Crore of capital employed (₹)



Ruchira Papers is focused on enhancing return on investment through increased output from every Crore of financial investment.

## Business investment commitment

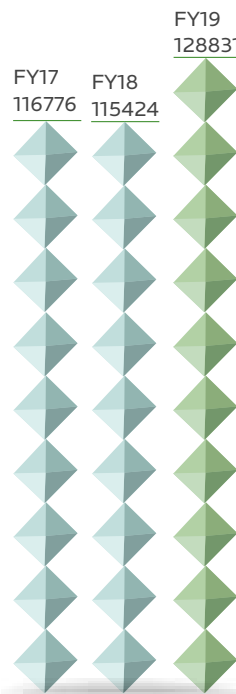
Gross block (₹ / Crore)



Ruchira Papers made progressive investments to increase output across market cycles. On the back of these investments, the Company emerged as one of the largest agro-based paper manufacturers in North India.

## Improved output

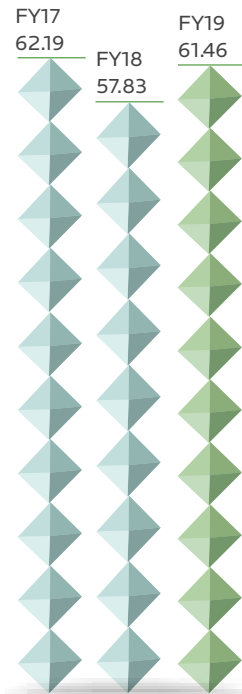
Production (Tons)



On the back of constant debottlenecking, modernisation and upgradation initiatives, Ruchira Papers improved its production of paper over the years.

## Product mix

Proportion of revenues from writing & printing paper (%)



Ruchira Papers has diversified grades of writing and printing paper available in its product mix, which enables the Company to cater to varied demands on the back of an enhanced national literacy rate, coupled with a demand boost in downstream sectors.

## Niche value-added

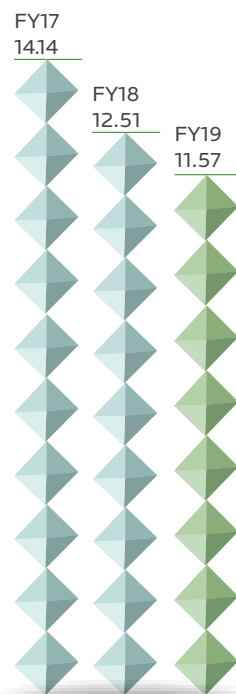
Proportion of writing & printing paper revenues from coloured paper (%)



Ruchira Papers introduced coloured paper as a part of its writing and printing portfolio in 2011. Over the years, revenues from this segment have grown, enabling the Company to generate a premium over the writing & printing average.

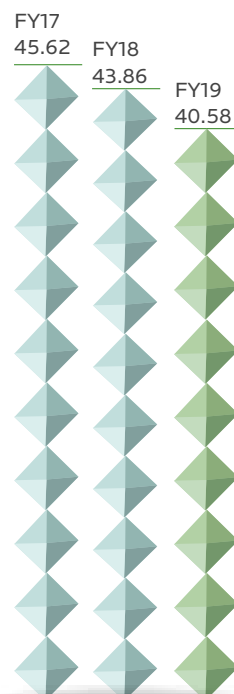
## Water-efficient

Water consumption (metre cube) per ton of kraft paper



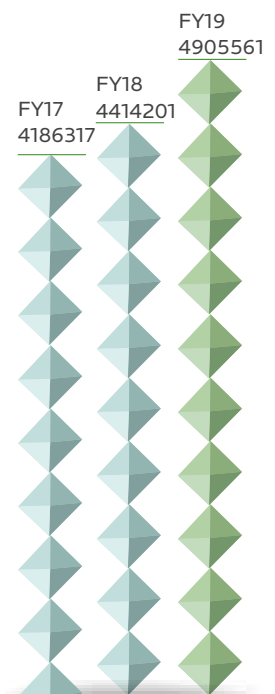
To deepen its compliance with strict environmental norms, the Company has increasingly invested in superior technologies with the objective, to moderate water consumption.

Water consumption (metre cube) per ton of writing/ printing paper



## Productivity per person

Per person productivity in ₹ (calculated on Net Sales)



Ruchira Papers has been consistently focused on training and developing its employees, enhancing efficiency per person.

## Sectoral context

### Population growth

India, the second-most populous country, is adding ~15 million people to its population annually, providing a growing market for the Company's products.

### Increasing literacy

India's literacy rate increased 900 bps between 2001 (65%) and 2011 (74%), catalysing the demand for writing & printing paper.

### Increased economic growth

Sustained national economic growth (India being the fastest growing global economy) is expected to drive the offtake of writing & printing paper.

### Growing income

Rising per capita income in real terms (at FY11-12 prices) during FY18-19 was estimated at ₹91921 compared to ₹86668 in the previous year, strengthening paper consumption.

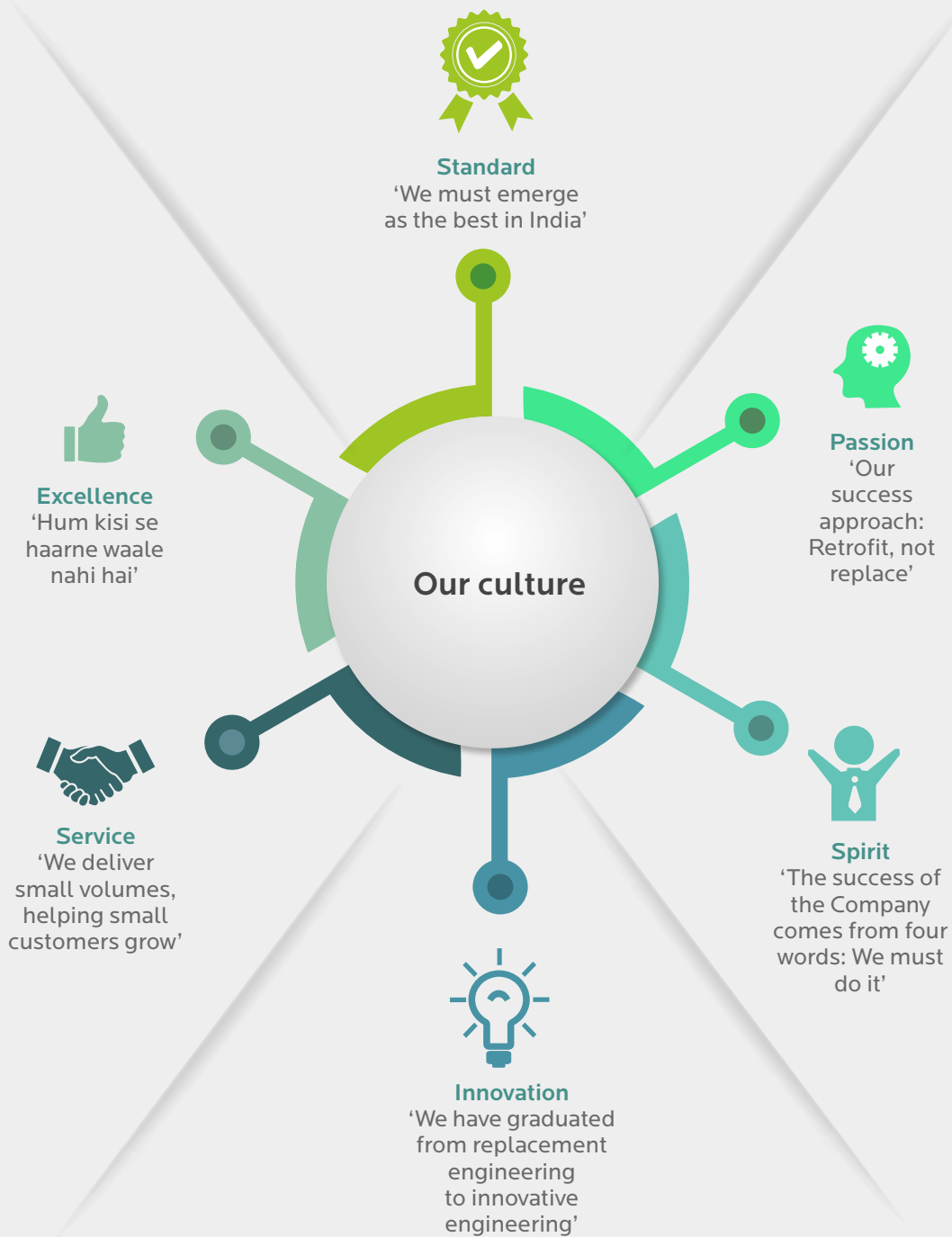
### Consumption growth

India is a vastly under-consumed country that is rapidly correcting this under-penetration. The more India consumes, the greater the likelihood of print media advertising, kraft paper offtake and discretionary spending.

### Printing technologies

Printing technologies have become increasingly sophisticated (from 5000 impressions an hour to 20000 impressions an hour over the last few years), reflecting the use of diverse colours, treatments and finishes on product packaging leading to increased attractiveness and offtake. This has accelerated the offtake of kraft paper, boards and enhanced application standards.

Our  
integrated  
business  
model





## Ruchira Papers' strategy

Strategic focus	Innovate and excel	Cost advantage	Supplier of choice	Robust people practices	Responsible corporate citizenship	Focus on value creation
Key enablers	<p><b>Invested</b> in application research to widen the product mix across different grades.</p> <p><b>Invested</b> in process innovation reflected in sustained debottlenecking.</p> <p><b>Deepened</b> understanding of agricultural residues as raw material, resulting product integrity.</p>	<p><b>Optimised</b> manufacturing costs through efficient raw material sourcing, debottlenecking, investment in efficient equipment and robust vigilance.</p>	<p><b>Reinforced</b> its position as a supplier of choice in North India.</p> <p><b>This</b> was achieved through superior product quality and timely service.</p> <p><b>Longstanding</b> trade relationships widened and deepened the Company's footprint.</p>	<p><b>Strengthened</b> its culture around entrepreneurial ownership across 1007 employees.</p> <p><b>The</b> management engaged with employees to enhance motivation, resulting in individual/team outperformance.</p> <p><b>The</b> Company deepened long-standing relationships with suppliers and trade partners.</p>	<p><b>Deepened</b> its respect as a responsible corporate citizen.</p> <p><b>Invested</b> in education, health, hygiene, community engagement and rural development initiatives.</p> <p><b>Spent</b> ₹66.92 Lakhs in CSR activities in FY18-19.</p>	<p><b>Manufactured</b> products with superior quality attributes and features. This enhanced end product quality at the consumer end.</p> <p><b>Addressed</b> customer and national quality standards.</p> <p><b>Customised</b> products around customer needs.</p> <p><b>Strengthened</b> value-addition and fiscal efficiency.</p>
Material issues addressed	Invested in cutting-edge technologies to develop quality products using an environment-friendly manufacturing processes.	Proximate raw material procurement, debottlenecked facilities and strategic plant location.	Strengthened brand recall across customers.	Enhanced employee engagement resulting in deeper skills.	Fostered community engagement and enhanced prosperity.	Sustained standardised product and service quality
Capitals influenced	Manufactured, intellectual and financial	Financial, manufactured and social	Intellectual, manufactured and social	Intellectual and human	Social and natural	Intellectual, manufactured and social

## Our resources

**Financial capital:** The financial resources that the Company seeks are based on the funds it mobilises from investors, promoters, banks and financial institutions in the form of debt, net worth or accruals.

**Manufactured capital:** The Company's assets, technologies and

equipment constitute its manufactured capital. The logistics for the transfer of raw materials and finished products are integral to its manufacturing competence.

**Human capital:** The Company's management, employees and workers form a part of its workforce.

**Intellectual capital:** The Company's focus on cost optimisation and operational excellence, as well as its repository of proprietary knowledge account for its intellectual resources.

**Natural capital:** The Company sources raw materials in a manner that

does not adversely affect the environment.

**Social capital:** The Company's relationships with the communities and partners (vendors, suppliers and customers) influence its role as a responsible corporate citizen.

# Our culture of manufacturing excellence

Total production FY18-19  
(Tons)

128831

Total production FY17-18  
(Tons)

115424

Percentage increase (%)

11.62

## Overview

Ruchira Papers manufactures different grades of writing & printing paper and kraft paper using agricultural residues like bagasse and wheat straw as well as waste paper (for kraft paper).

## Strengths

- The Company's investment in a 8.1 MW captive power plant at its Kala Amb facility helps source 100% of the power requirement of writing & printing paper from within.
- The Company manufactures paper using agricultural residues, a relatively cheaper and more sustainable raw material.
- The Company is one of the largest manufacturers (using the agricultural residue route) of writing & printing paper and kraft paper in North India.
- The Company strategically increased its inventory (bagasse) stocking days to ensure uninterrupted raw material supply to sustain manufacturing operations.

## Highlights, FY18-19

- The Company reported a higher output across both business segments through a prudent utilisation of existing assets, value engineering initiatives, strengthening economies of scale and amortisation of fixed costs.
- The Company produced 77287 MT of kraft paper in FY18-19 compared to 67999 MT in FY17-18; it produced 51544 MT of writing & printing paper in FY18-19 compared to 47425 MT in FY17-18.
- The proportion of value-added coloured paper in the writing & printing paper product mix was relatively stable at around 30%.

## Outlook, FY19-20

During the last quarter of FY17-18, the Company undertook modernisation and upgradation programme to enhance its production capabilities. As a result, the Company achieved production of 128831 MT during the year FY18-19. The Company has targeted kraft paper production at 88000 MT and writing & printing paper production at 55000 MT for FY19-20, representing reasonable increases in output without a sizable increase in capital expenditure.

# Our marketing competence

Number of inventory turns,  
FY18-19

**56.25**

Number of inventory turns,  
FY17-18

**84.16**

## Our realisations profile Writing & Printing paper

**59012**

Rupees per ton, average net sales realisation of writing and printing paper, FY18-19

**54326**

Rupees per ton, average net sales realisation of writing and printing paper, FY17-18

## Kraft paper

**25871**

Rupees per ton, average net sales realisation of kraft paper, FY18-19

**28341**

Rupees per ton, average net sales realisation of kraft paper, FY17-18

## Overview

In a capital-intensive sector like the paper industry, success is driven by the ability to maximise net realisations.

Over the years, Ruchira Papers has focused on achieving the most profitable volume-value mix, while addressing the large popular product segment of writing & printing paper at one end and the niche segment of kraft paper at the other.

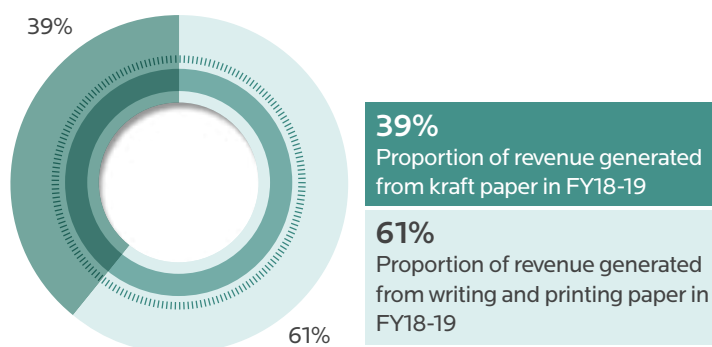
In achieving the same, the Company progressively increased the proportion of value-added paper varieties in the product mix – from 12.67% in FY12-13 to 30% in FY18-19. This preference for the manufacture of coloured paper (writing & printing segment) generated realisations higher than the average realisation in the segment.

The writing & printing paper variants were marketed through a widespread network of 45-50 dealers in FY18-19 and the kraft paper variants were marketed through dealers and direct customers.

## Strengths

- The Company's brand name is synonymous with superior quality which makes it easier to sell.
- The Company's service is marked by on-time delivery, making it possible for customers to nurse lower inventories.
- The Company sources its raw materials from agricultural residues, which makes procurement easy and cost-effective.
- The Company is one of the biggest manufacturers of agro-based paper in North India.

## Our revenue mix



# Our financial prudence

Cost of debt in FY18-19 (%)

9.34

Cost of debt in FY17-18 (%)

10.78

Debt-equity ratio, FY18-19 (x)

0.11

Debt-equity ratio, FY17-18 (x)

0.21

Interest cover, FY18-19 (x)

12.09

Interest cover, FY17-18 (x)

11.37

## Overview

In a business with an extended working capital cycle, success is driven by the ability to shrink the cash cycle, which, in turn, enhances liquidity, translating into Balance Sheet integrity.

During the year under review, the Company continued to strengthen financial controls, translating into comfortable liquidity even during challenging phases.

## Strengths

- The debt-equity ratio of the Company stood at a robust 0.11x in the year under review with a comfortable interest coverage ratio of 12.09.
- The average cost of working capital mobilised from banks declined from a peak of 11.86% in the last four years to 9.11% in FY18-19.

## Highlights, FY18-19

- The Company reported growth – as revenues increased 10.36%, PAT increased 5.84%.
- The Company's credit rating for the year stood at CARE BBB+, enriching access to low cost debt.
- The Company's working capital cycle was 86 days of turnover equivalent in FY18-19 compared with 69 days in the previous financial year owing to increased inventory and closing stock.

## Outlook, FY19-20

- The Company will continue to protect the integrity of its Balance Sheet by growing its business around accruals and minimising the use of debt.
- The Company intends to invest ₹70 Crores (approximately) in plant modernisation and upgradation during FY19-20.

The Company expects a double-digit growth in volume and revenue during FY19-20.

Working capital as % of revenues, FY18-19

13.48%

Working capital as % of revenues, FY17-18

7.16%

# Our environment commitment

## Overview

At Ruchira Papers, we recognise that the successful paper companies of the future will be those that are completely ethical and responsible.

Over the years, the Company strengthened its environment compliance to underline its responsibility – towards the earth, employees and community.

The Company focused on the use of agricultural residues

and waste paper that would otherwise have to be incinerated or land-filled, transforming waste into wealth.

The Company engaged a specialised external agency to analyse equipment efficiencies and suggest ways to moderate operating costs on the one hand and proactively indicate addressable issues.

The Company focused beyond environmental compliance with prevailing standards towards future-readiness.

## Agriculture waste as raw material

The Company strengthened its environment-friendly credentials through the use of agricultural wastes as raw material, providing the agricultural community with the facility of generating revenue from waste on the one hand and enhancing the Company's capability in sustainable resource sourcing. This helped moderate raw material costs, enhance raw material sourcing ease and reduce the carbon footprint.

The Company's manufacturing facility is configured to consume wheat straw, bagasse and sarkanda for the manufacture of writing & printing paper. The Company consumes agricultural residues and waste paper for the production of kraft paper.

## Effluent treatment plant

The Company installed a state-of-the-art effluent treatment plant in its manufacturing facility in Kala Amb. To improve the process further the Company installed an automated Oxygen injection System, providing pure oxygen through turboal complete total area of aeration basin. The system is patented by Air Liquid France and highly efficient for maintaining high quality MLSS for the reduction of BOD/COD. Going ahead, the Company intends to invest ~₹10-11 Crores in comprehensive effluent management, strengthening its overall commitment.

## Chemical recovery plant

The Company installed a chemical recovery plant, which recycles black liquor generated from the pulping process, reducing costs and carbon footprint.

# Management discussion and analysis

## Global economic overview

Following 3.8% in 2017, the global economy slowed to 3.6% in 2018 following the failure of Brexit negotiations, tightened financial liquidity, geopolitical tensions and higher crude oil costs. Owing to this, the global economic growth in 2018 was estimated at 3.6%.

Crude prices remained volatile since August 2018 as a result of multiple factors including American policy pertaining to Iranian exports and softening of global demand. Oil prices dropped from a four-year peak of USD 81 per barrel in October 2018 to USD 61 per barrel in February 2019.

Global growth is expected to be 3.3% in 2019. The unwinding of the US fiscal stimulus and the fading of the favourable spill-overs from US demand to trading partners could be offset by growth in the emerging markets and developing economies.

## Global economic growth over six years

Year	2015	2016	2017(E)	2018(E)	2019 (P)
Real GDP growth (%)	3.2	3.1	3.8	3.6	3.3

(Source: World Economic Outlook, April 2019) E: Estimated; P: Projected

## Indian economic overview

India retained its position as the sixth-largest economy and retained its position as the fastest-growing trillion-dollar economy through a major part of the year (except in the last quarter of FY18-19). After growing 7.2% in FY17-18, the Indian economy is estimated to have grown 6.8% in FY18-19 as per the Central Statistics Office release, May 2019.

The principal developments during the year under review comprised a sustained increase in per capita income, decline in national inflation, steadying interest rates and weakened consumer sentiment from the second half of the financial year. The weaker sentiment was on account of a large non-banking financial company announcing its inability to address liabilities. This affected credit expansion, financial markets and consumer sentiment, which in turn resulted in slower GDP growth that declined to 5.8% by the fourth quarter of FY18-19, the slowest growth in a single quarter in years.

In 2018, the country attracted ~USD 42 billion in FDI inflows as per the World Investment Report 2019. Driven by strong policy reforms, India witnessed a 23-notch jump to a record 77th position in the World Bank's latest report on the 'Ease of Doing Business' that captured

the performance of 190 countries.

The commencement of the US-China trade war opened new opportunities for India, particularly in the agro sector. Inflation (including food and energy prices) was estimated at 2.6% on an annual basis, one of the lowest in years and well below the Reserve Bank of India's medium-term target of 4%. The rupee rebounded after touching a low of ₹74.45 to a dollar to close the financial year at ₹69.44. During the fiscal under review, the Indian Government continued to invest deeper in digitisation, renewable energy capacity generation and infrastructure building.

### Key farm sector initiatives

**Increasing MSPs:** The Indian Government fixed MSPs for 22 mandated kharif and rabi crops and FRP for sugarcane. The Indian Government committed to provide a 50% return over the cost of production for all mandated crops, strengthening the rural economy.

### Pradhan Mantri Kisan Samman Nidhi:

In February 2019, the Indian Government announced in the Pradhan Mantri Kisan Samman Nidhi, a scheme promising an annual assured income of ₹6000 (USD 84.5) for any farmer owning upto 2 hectares of farmland. The budget for the fiscal year 2020 allocated ₹75000 Crores for the scheme, benefiting ~120 million

land-owning farmer households. (Source: PIB)

**Direct Benefit Transfer:** The Direct Benefit Transfer initiative re-engineered the cash disbursement process in welfare schemes through simpler and faster flow of information/funds to ensure accurate targeting of beneficiaries, de-duplication and reduction of fraud. In FY18-19 alone, this scheme is estimated to have transferred more than ₹300000 Crores and the gains to have accrued since the time of implementation of the scheme (upto March 2019) is estimated at ₹141677.56 Crores. (Source: [www.dbtbharat.gov.in](http://www.dbtbharat.gov.in))

### Key nation building initiatives

**Bank recapitalisation scheme:** In addition to infusing ₹2.1 Lakh Crores in public sector units, the Indian Government announced a capital infusion of ₹41000 Crores through recapitalisation bonds in FY18-19. The Budget 2019-20 mandated that the Union Government will infuse ₹70000 Crores to strengthen and enhance their lending capacity.

**Expanding infrastructure:** India's proposed expenditure of ₹5.97 trillion (USD 89.7 billion) towards infrastructural development in the Union Budget 2018-19 is expected to strengthen the national economy. As of November 2018, total

length of road-building projects awarded under Bharatmala Pariyojana (including residual NHDP works) was 6,460 kms for a total cost of ₹1.52 trillion (USD 21.07 billion). The Government has announced an investment of ₹10000000 Crores (USD 1.5 trillion) in infrastructure over the next five years in Budget 2019-20. (Source: IBEF)

The Insolvency and Bankruptcy code (Amendment), Ordinance 2018: Passed in June 2018, the ordinance provides significant relief to home-buyers by recognising their status as financial creditors. The major beneficiary stands to be the MSMEs, as the ordinance empowers the Indian Government to provide the MSMEs with a special dispensation under the code. (Source: PIB)

## Outlook

The Indian economy appears to be headed for sustained sluggishness in FY19-20. Even as a new government is expected to remain pro-investment and pro-business resulting in a larger spending on infrastructure build-out, an economic revival appears some quarters away. The long-term outlook of the country appears to be positive

on account of the various economic reforms, increasing aspirations, sustained consumption momentum and a national under-consumption across a range of products appearing to correct itself. (Source: CSO, Fitch, Economic Times, Business Standard, IBEF, Business Today, India Today, Money control)

## Global paper industry overview

The global paper and paperboard industry was estimated at ~390 Million Tons (MT) in FY17-18. Globally, the paper industry is one of the largest dominated by North America, Northern Europe and East Asia. It is expected that both India and China will become key players in the industry as Asia is responsible for the bulk of the market accounting for ~50% of the global output and consumption of paper and paperboards. Moreover, increasing disposable income and changing lifestyles have influenced global market growth.

China, India, Japan, and Australia are the major players in the Asia Pacific market. North America is the second-largest market for paper and paperboard packaging. The US accounts for the largest share in North America primarily

because of the large online shopping market. Increasing sustainability focus augmented demand for consumer-friendly products which are lightweight and easily transportable, driving growth of the paper and paperboard packaging market.

Growth in the global paper industry slowed over the last five years due to the emergence of digital media and paperless alternatives across developed economies. The global specialty paper market was estimated at USD 26.18 billion in 2017 and projected to grow to USD 51.08 billion by 2026 (CAGR of 7.7%) riding urbanisation, improving literacy and food & beverage sector development.

Growth in emerging markets, rising population and growing packaged products consumption could drive demand for paper and paperboard products. The widespread adoption of new media, paperless reading and digitalisation have shrunk the demand for writing & printing paper while economic growth and literacy have catalysed consumption of writing & printing paper. (Source: PG Paper, Market Watch, Euler Hermes)





## Indian paper industry overview

The Indian paper industry accounts for ~3.7% of the global paper production, with a turnover of ~₹60000 Crores. The industry provides employment to ~2 million people in the country. India is the fastest growing major paper market, reporting a CAGR of ~8% between 2011 and 2016 compared to a mere 1% for the global paper industry.

Riding this tailwind, the demand for paper in India grew from 9.3 MT in FY07-08 to ~18.5 MT in FY18-19 and is expected to grow to 20.7 MT by FY19-20. However, India's per capita paper consumption stood at a little above 13 kilograms compared to a global average of 57 kilograms in 2018, indicating a large

headroom for the sector.

The share of writing & printing paper in India's paper sector was estimated at ~30%. The domestic production of writing & printing paper for FY17-18 was 5.1 MT, driven by improving literacy and increasing educational focus by the government comprising initiatives like Sarva Shiksha Abhiyan and mid-day meals coupled with increasing government spending on education.

The share of kraft paper in India's paper market was estimated at 29.50% in FY17-18, corresponding to a production of 5.05 MT in FY17-18. The industry integrated backwards into farm forestry. (Source: IPMA, CARE, CNBC Tv18)

The Indian packaging industry was

valued at about USD 13 billion in 2012, which has grown to ~USD 32 billion. The Indian packaging industry contributes about 4% of the global packaging sector. The packaging paper & board segment caters to tertiary and flexible packaging purposes in industries like FMCG, food, pharma, textiles etc. This segment accounts for ~47% of the domestic paper industry, the fastest growing segment owing to urbanisation, organised retail growth and higher growth in the FMCG and pharmaceutical sectors.

India's import of paper and paperboard declined by 25% to 1.1 MT during the first nine months of FY18-19 from 1.47 MT in the corresponding period during last year due to higher customs tariff of USD 850 a ton to restrict overseas dumping.

## Growth drivers

**Educational spending:** India is a young market with 310 million students, roughly the size of the entire US population. This number has been growing at 1.7% y-o-y. India has one of the largest networks of higher educational institutions in the world; colleges and universities in India were 39050 and 903 respectively, in FY17-18.

**Literacy levels:** Governmental measures to improve literacy such as the Right to Education Act 2009, Sarva Siksha Abhiyan and the Mid-Day Meal Scheme

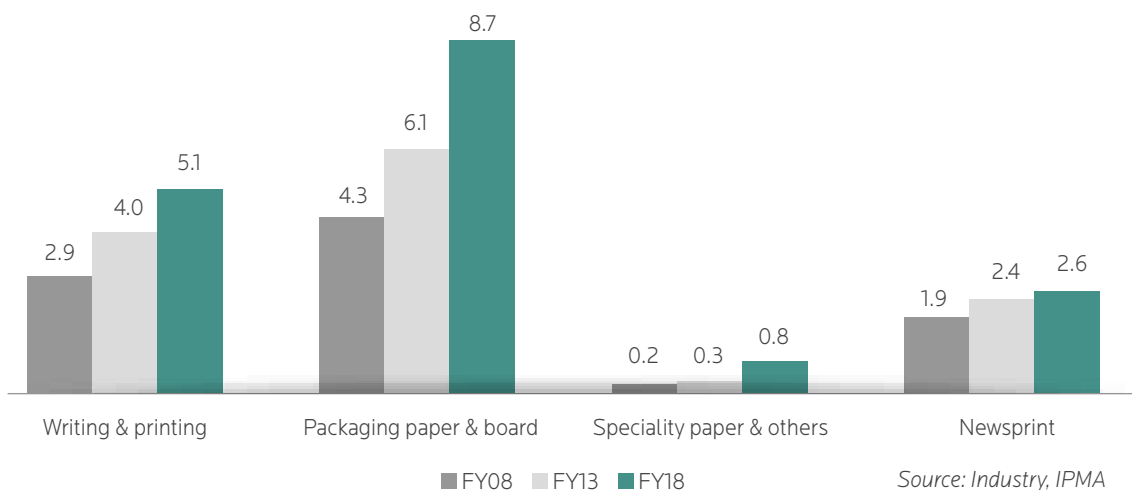
have resulted in the percentage of literates rising to 74% in 2011 from 65% in 2001 - a growth of 14% y-o-y. Further, the country has successfully updated its literacy rate over the years to 79% in FY17-18.

**Increasing commercialisation:** Gross leasing activity in India was pegged at 36.4 million sq ft for the first nine months of 2018, a substantial growth of 26% y-o-y which should translate into higher consumption of writing and printing paper.

**Downstream demand:** The ever-increasing demand from downstream sectors like FMCG and services sector are driving the use of writing and printing paper across the country. The adverse effects of initiatives targeted towards going paperless leveraging modern technology has been partly offset by increasing demand from the services sector.

**Print circulation:** Riding on the back of growing print circulation, the demand for printing paper has been growing consistently and is expected to sustain.

## Segment breakdown and movement of the Indian paper industry (in MT)



Source: Industry, IPMA

**Urbanisation:** India is the second largest urban community in the world after China. It has been estimated that by FY19-20, 35% of India's population will be living in urban centres contributing 70 to 75% of India's GDP. Urbanisation is expected to continue and by FY49-50, half of India's total population is expected to live in the urban areas.

**E-commerce:** The Indian e-commerce market is expected to grow from USD 38.5 billion in 2017 to USD 200 billion by 2026 catalysed by increased smartphone and internet penetration. On the back of this substantial growth in the e-commerce sector, the demand for packaging paper is expected to increase exponentially.

**Company's product-wise performance:** The Company is engaged in the business

of kraft paper as well as writing & printing paper.

During the year under review, the turnover of kraft paper was ₹190.37 Crores and that of writing & printing paper was ₹303.62 Crores. The EBITDA margins of kraft paper was 6.04% and writing & printing paper was 23.26%.

## Financial analysis, FY18-19

### Balance Sheet

- Net worth increased to ₹244.34 Crores as on 31st March 2019 compared to ₹191.35 Crores as on 31st March 2018.
- Total borrowings for FY18-19 stood at ₹74.73 Crores compared to ₹88.21 Crores during FY17-18.
- Total property, plant and equipment

(net) for FY18-19 stood at ₹233.63 Crores compared to ₹230.52 Crores in FY17-18.

### Profit & Loss statement

- Revenues increased by 10.36%, from ₹447.60 Crores in FY17-18 to ₹493.99 Crores in FY18-19.
- EBITDA increased to ₹82.12 Crores in FY18-19 compared to ₹74.17 Crores in FY17-18.
- Profit after tax increased by 5.84% from ₹38.02 Crores in FY17-18 to ₹40.24 Crores in FY18-19.
- Gross profit margin was 23.28% in FY18-19. Total expenses for FY18-19 stood at ₹433.06 Crores compared to ₹396.15 Crores in FY17-18.
- Depreciation and amortisation stood at ₹13.09 Crores in FY18-19 compared to ₹11.97 Crores in FY17-18.

## Key Financial Ratios:

	Unit	Year ended 31.03.2019	Year ended 31.03.2018
Current Ratio	Times	1.60	1.31
Debt Equity Ratio	Times	0.11	0.21
Interest Coverage Ratio	Times	12.09	11.37
Debtors Turnover	Days	47	38
Inventory Turnover	Times	6.56	7.71
Operating Profit Margin	%	13.97	13.10
Net Profit Margins	%	8.14	8.42
Return on Net Worth	%	16.29%	19.98%

## Risk management

**Demand risk:** Digitisation has had an adverse effect on the demand for writing and printing paper. However, digitisation also accelerated economic growth, which in turn has led to enhanced paper and kraft paper consumption. Ruchira has been the fore-runner of writing and printing paper and kraft paper manufacturing in north India, benefiting from demand growth.

**Raw material risk:** The unavailability of raw materials can disrupt the day-to-day operations of paper mills. To mitigate this challenge, the Company uses bagasse (byproduct

of the sugarcane industry), wheat straw, Sarkanda and long-fibres like indigenous and imported waste paper and a nominal quantity of imported softwood pulp.

**Liquidity risk:** A liquidity crunch could adversely affect long-term viability. The Companies working capital cycle remains at 86 days during FY18-19, while its debt-equity ratio strengthened from 0.21 to 0.11.

**Quality risk:** Inability to service the customers with quality products could affect the demand for the Company's products. The Company strives to manufacture quality

products. Ruchira is accredited with ISO 9001:2015, validating its quality management.

**People risk:** Lack of qualified talented manpower can decelerate growth. The Company's people-centricity strengthened productivity.

**Environment risk:** Inability to comply with environment norms could attract censure. To address this challenge, the Company invested in a state-of-the-art effluent treatment plant and chemical recovery plant to recycle black liquor generated in the pulping process.

## Human resources

In recent times the traditional responsibilities of the HR department have evolved towards equitable benefits and compensation, employee engagement and retention, enhancing diversity and addressing workplace

issues among others.

At Ruchira Papers, we focus on enhancing employee well-being and potential.

The Company provides an invigorating workplace environment, attractive career

growth, fair performance management, compensation and operational transparency.

The Company's employee strength was 1007 as on 31st March 2019.

## Internal control systems and their adequacy

The Company believes that safeguarding of assets and business efficiency can be prolonged by exercising adequate internal controls and standardising operational processes. The internal control and risk management system is structured and applied in accordance with

the principles and criteria established in the corporate governance code of the organisation. It is an integral part of the general organisational structure of the Company and Group and involves a range of personnel who act in a coordinated manner while executing their respective

responsibilities. The Board of Directors offers its guidance and strategic supervision to the Executive Directors and management, monitoring and support committees.

## Cautionary statement

The statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain assumptions

and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realised by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the

control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent development, information or events.

# Corporate Information

## BOARD OF DIRECTORS (as on 31.03.2019)

### Chairman & Whole Time Director

Jatinder Singh

### Co-Chairman & Whole Time Director

Subhash Chander Garg

### Managing Director

Umesh Chander Garg

### CFO & Executive Director

Vipin Gupta

### Independent Directors

Dalbir Singh

Surinder Kumar Gupta

Swatantar Kumar Dewan

Avtar Singh

Suhasini Yadav

### Company Secretary

Vishav Sethi

### Registered Office & Works

Trilokpur Road, Kala Amb,

Distt. Sirmour

Himachal Pradesh-173030

### Statutory Auditors

Subhash Sajal & Associates

Chartered Accountants

1766, New Christian Colony,

Near Civil Hospital, Jagadhri,

Haryana-135003

## SENIOR EXECUTIVES

Parveen Garg-Senior Vice-President (CSR)

Deepan Garg VP (Technical)

Jagdeep Singh VP (Operations)

Ruchica G Kumar VP (Marketing)

Lucky Garg VP (Marketing)

Daljeet Singh Mandhan VP (Commercial)

Atul Garg VP (Administration)

Radhika Garg VP (Marketing-NR)

### Bankers

Punjab National Bank

Oriental Bank of Commerce

### Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd

Noble Height 1st Floor,

Plot No. NH-2, C-1

Block, LSC,

near Savitri Market, Janakpuri,

New Delhi-110058

### Company's Website

[www.ruchirapapers.com](http://www.ruchirapapers.com)

### Corporate Identification Number

L21012HP1980PLC004336

# Directors' Report

We are delighted to present report of directors on our business and operations for the year ended 31st March, 2019.

## FINANCIAL RESULTS:

The Company's financial performance for the year ended 31st March 2019 is summarized below:

		(₹ In Lakhs)	
S. No	Particulars	2018-19	2017-18
I	Revenue from Operations (Net of Excise Duty)	49399.04	44760.15
II	Other Income	189.10	375.19
III	Total Revenue (I+II)	49588.14	45135.34
IV	Expenses		
	Cost of materials consumed	31085.70	27227.80
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(1119.53)	(1.86)
	Employee benefits expense	4337.53	4018.72
	Finance Cost	809.93	771.69
	Depreciation and amortization expense	1308.84	1196.54
	Other expenses :		
	i) Manufacturing Expenses	5862.43	5162.41
	ii) Selling, Distribution and Establishment exp.	1020.94	935.72
	Total expenses	43305.84	39311.02
V	Profit before exceptional and extraordinary items and tax (III-IV)	6282.30	5824.32
VI	Exceptional items	40.37	(6.65)
VII	Profits before extraordinary items and tax (V-VI)	6241.93	5830.97
VIII	Extraordinary items (Net of Tax Expense)	-	-
IX	Profits Before Tax	6241.93	5830.97
X	Tax Expenses		
	1) Current Tax	2005.58	1747.74
	2) Deferred Tax	212.85	281.57
XI	Net Profit for the period	4023.50	3801.66
XII	Other Comprehensive income/(loss)		
	Items that will not be reclassified to profit or (loss)		
	Re-measurement of net defined benefits plans	(67.14)	33.81
	Income tax related to these items	(23.46)	11.70
	Total comprehensive income	3979.82	3823.77
	Paid-up equity share capital	2425.18	2242.18
	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	22009.32	16892.32
	Earnings per equity share of ₹10/- each		
	Basic	17.43	17.05
	Diluted	17.43	16.86

## OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE AND OPERATIONS

For the financial year ended 31st March 2019, Company achieved turnover of ₹49399.04 Lakh and registered a growth of 10.36% against turnover of ₹44760.15 Lakh for FY 2017-18. The Profit before Tax (PBT) for the current year is ₹6241.93 Lakh as against ₹5830.97 Lakh in previous year. The Profit after Tax for the current year is ₹4023.50 Lakh as against ₹3801.66 Lakh in the previous year- a growth of 5.84%. The total production of the Company was

128831 MT during the year ended 31st March 2019 against production of 115424 MT for FY 2017-18.

## INDIAN ACCOUNTING STANDARDS (IND AS)

The financial results for the year ended 31st March 2019 have been prepared in accordance with Ind AS prescribed under Section 133 of the Companies Act, 2013 and other GAAP in India.

## DIVIDEND

Based on the Company's performance, The Board of Directors are pleased to recommend dividend of ₹2.25/- per equity share for the financial year ended 31st March 2019 (Previous year- ₹2.25/- per share). The dividend payout is subject to approval of members at the ensuing Annual General Meeting.

The dividend will be paid to members whose names appear in the Register of Members as on close of business hours on Wednesday, 18th September 2019; in respect of shares held in dematerialized form, it will be paid to members whose names are furnished by National Securities Depository Limited and Central Depository Services (India) limited, as beneficial owners as on that date.

## TRANSFER TO RESERVES:

The Company do not propose to transfer any amount to the General Reserve out of the amount available for appropriations.

## EXPANSION:

During the year, no major expansion undertaken by the Company. Normal capital expenditure is being done continuously for technical and operational up gradations of production facilities of the Company.

## CREDIT RATING:

During the year, Credit Rating of the Company has been kept at CARE BBB+ (under credit watch with developing implications).

## CHANGES IN THE NATURE OF BUSINESS, IF ANY:

There was no change in the nature of business of the Company during the financial year ended 31st March 2019. Further there have been no material changes and commitments affecting financial position of the Company from the end of financial year till the date of this report.

## SHARE CAPITAL AND LISTING OF SHARES:

During the year under review, the Company has allotted 18,30,000 Equity Shares of the face value of ₹10/- each at a premium of ₹130.50/- per share to promoter/promoter group consequent upon exercise of their rights for conversion of share warrants into equity shares. Upon

allotment of these equity shares, the paid up equity capital of the Company has increased from ₹22,42,18,040/- comprising of 22421804 equity shares of the face value of ₹10/- each to ₹24,25,18,040/- comprising 24251804 equity shares of the face value of ₹10/- each.

During the year under review, the Company has not issued shares with differential voting rights and sweat equity shares.

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

## DIRECTORS AND KEY MANAGERIAL PERSONNEL:

The Board of Directors consists of Nine (9) Directors, out of which Four (4) are Executive Director and Five (5) are Independent Directors including One (1) Woman Director.

Mr. Vipin Gupta retiring by rotation and being eligible, offered himself for re-appointment at the ensuing Annual General Meeting.

Mr. Dalbir Singh, Mr. Avtar Singh, Mr. Swatantar Kumar Dewan, Mr. Surinder Kumar Gupta and Mrs. Suhasini Yadav were appointed as an Independent Directors of the Company by the members at the 34th Annual General Meeting of the Company held on 25th September 2014 for a period of five consecutive years commencing from 25th September 2014 up to 24th September 2019.

As per Section 149(10) of the Companies Act, 2013, an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term up to five consecutive years on the Board of a Company. Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company at its meeting held on 12th August 2019 recommended for approval of the members, the re-appointment of above Independent Directors for second term of five consecutive years commencing from 25th September 2019 to 24th September 2024. The above Independent Directors are eligible for re-appointment as

an Independent Director and have offered themselves for re-appointment.

Independent Directors have given declarations that they meet the criteria of independence as prescribed under the provisions of the Companies Act, 2013 read with schedules and rules issued as well as Regulation 16(1)(b) of Listing Regulations.

## ANNUAL EVALUATION OF BOARD PERFORMANCE AND PERFORMANCE OF ITS COMMITTEES AND OF DIRECTORS:

In terms of applicable provisions of the Companies Act, 2013 read with Rules framed there under and provisions of Listing Regulations and on the recommendation of Nomination and Remuneration Committee, the Board of Directors has put in place a process to formally evaluate the effectiveness of the Board, its Committees along with performance evaluation of each Director carried out on an annual basis. Accordingly, the annual performance of the Board, its committees and each director was carried out for the Financial Year 2018-19.

Criteria for evaluation of individual Directors include aspects such as professional qualifications, prior experience, especially experience relevant to the Company, knowledge and competency, fulfillment of functions, ability to function as a team, initiative, availability and attendance, commitment, contribution, integrity, independence and guidance/ support to management outside Board/ Committee Meetings. In addition, the Chairman is also evaluated on key aspects of his role, including effectiveness of leadership and ability to steer meetings, impartiality, ability to keep shareholders' interests in mind and effectiveness as Chairman.

Criteria for evaluation of the Committees of the Board include mandate and composition; effectiveness of the Committee; structure of the Committee; regularity and frequency of meetings, agenda, discussion and dissent, recording of minutes and dissemination of information; independence of the Committee from the Board; contribution to decisions of the Board; effectiveness of meetings and quality of relationship of the Committee with the Board and management.

In terms of the Section 203 of the Companies Act, 2013, the following are the Key Managerial Personnel of the Company as on the date of this report.

1. Mr. Subhash Chander Garg- Chairman & Whole Time Director
2. Mr. Jatinder Singh- Co Chairman & Whole Time Director
3. Mr. Umesh Chander Garg- Managing Director
4. Mr. Vipin Gupta- CFO & Executive Director
5. Mr. Vishav Sethi- Company Secretary

## FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS:

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at <http://www.ruchirapapers.com/investors.html>.

## PUBLIC DEPOSITS:

The Company has not accepted any public deposits within the meaning of Section 73 and 74 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014 (including any statutory modification(s) or re-enactment(s) for the time being in force) and as such, no amount on account of principal or interest on public deposits was outstanding as on the date of Balance Sheet.

## SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES:

The Company does not have any Subsidiary, Joint Ventures or Associate Company as on 31st March 2019.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT:

Management Discussion and Analysis forms an integral part of this report and gives details of the overall industry structure, economic developments, performance and state of affairs of your Company, risk management systems and other material developments during the Financial Year 2018-19.

## CORPORATE GOVERNANCE:

Your Company continues to be committed to good Corporate Governance aligned with good practices. A separate report on Corporate Governance along with Auditors' Certificate on compliance with the Corporate Governance as stipulated in Regulation 34 of the Listing Regulations forms an integral part of this Annual Report.



## HUMAN RESOURCE MANAGEMENT:

Our Employees are most valuable assets of the Company. We encourage innovation, meritocracy and the pursuit of excellence. We have setup a scalable recruitment and human resources management process, which enables us to attract and retain employees. Cordial employee relations were maintained throughout the year in the Company. The directors express their appreciation for the contribution made by employees to operations of the Company during the year.

## CORPORATE SOCIAL RESPONSIBILITY:

Your Company has constituted an independent Corporate Social Responsibility Committee pursuant to section 135 of the Companies Act, 2013.

### Company's Philosophy:

The Company's CSR philosophy is based on the belief that a successful business can develop only by creating a prosperous society around. Reaching out to deprived communities is part of the Company's vision and its CSR initiatives aim at supplementing government endeavours` to help the citizens in the vicinity to achieve better living standards and good quality of life. The Company has been engaging with civil society, public at large through dissemination of its CSR initiatives.

The Company would also undertake other need based initiatives in compliance with Schedule VII of the Act.

### Corporate Social Responsibility Policy:

The Company has adopted a Corporate Social Responsibility Policy as required under section 135 of the Companies Act, 2013 for the activities covered under Schedule VII of the Act. The CSR Policy may be accessed on the Company's website at the link: [http:// www.ruchirapapers.com/investors.html](http://www.ruchirapapers.com/investors.html).

The Annual Report on CSR activities is annexed herewith marked as **Annexure I**.

## RISK MANAGEMENT:

Your Directors continually evaluate the risks faced by the Company which could affect its business operations or threaten its existence. The Company takes appropriate risk containment measures and manages the same on an ongoing basis. The Company has adopted a Risk Management Policy pursuant to Section 134 of the Act.

## INTERNAL FINANCIAL CONTROLS AND THEIR ADEQUACY

The Directors have laid down internal financial controls to be followed by the Company for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and the completeness of the accounting records and the timely preparation of reliable financial information. During the year, such controls were tested and no reportable material weakness in the design or operation were observed.

## EMPLOYEE STOCK OPTION SCHEME:

At present, the Company is not having any Employee Stock Option Scheme.

## INSURANCE:

The assets of Company are adequately insured against loss of fire, riot, earthquake, flood etc. and other risks which are considered necessary by the Management.

## AUDITORS AND AUDITOR'S REPORT:

Pursuant to provisions of Section 139 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, In the 38th Annual General Meeting held on 28th September 2018, M/S Subhash Sajal & Associates, Chartered Accountant (Registration No. 018178N) were appointed as Statutory Auditors of the Company to hold office until the conclusion of 43rd Annual General Meeting at such remuneration and out of pocket expenses, as shall be fixed by the Board of Directors of the Company. The Ministry of Corporate Affairs has vide notification dated 7th May 2018 obliterated the requirement of seeking Member's ratification at every AGM on appointment of Statutory Auditors.

## AUDITOR'S REPORT:

The Report given by the Auditors on the financial statements of the Company is part of the Annual Report. The Auditor's Report for the financial year ended 31st March 2019 does not contain any qualification, reservation or adverse remark.

## COST-AUDITORS:

Maintenance of Cost Records as specified by Central Govt. under sub section (1) of section 148 of Companies Act, 2013 is applicable to the Company and accordingly such accounts and records are made and maintained by the Company.

The Board of Directors of your Company, on the recommendations made by the Audit Committee at its meeting held on 27th May 2019 has approved the re-appointment of M/s Sanjay Kumar Garg & Associates, Cost Accountants as Cost Auditors of the Company for the financial year 2019-20. The remuneration proposed to be paid to the Cost Auditor, subject to your ratification at the ensuing Annual General Meeting is ₹70,000 (Seventy Thousand Only) excluding taxes and out of pocket expenses, if any. The appointment of the Cost Auditor has been intimated to the Central Government.

The Cost Audit report for the Financial Year 2017-18 has been filed by the Cost Auditors with the Ministry of Corporate Affairs, Govt. of India. Whereas Cost Audit Report for the Financial Year 2018-19 will be submitted by Cost-Auditors with Ministry of Corporate Affairs with in prescribed time.

### SECRETARIAL AUDITOR:

The Board has re-appointed M/s. R.K. Bhalla & Associates, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2018-19. The Secretarial Audit Report for the financial year ended March 31st, 2019 is annexed herewith marked as **Annexure II** to this report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

### INVESTOR EDUCATION AND PROTECTION FUND:

During the year, the Company was not required to transfer any amount to the Investor Education and Protection Fund.

Pursuant to provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded details of unpaid and unclaimed amounts lying as on 28.09.2018 (date of last Annual General Meeting) on Company's website and as also filed with Ministry of Corporate Affairs.

Furthermore, in terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) shares on which dividend remains unpaid or unclaimed for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits, if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen

till the rightful owner claims the shares. Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholder from IEPFA by following the procedure prescribed under the aforesaid rules. Therefore it is in the interest of the shareholders to regularly claim the dividends declared by the Company.

### DISCLOSURES:

#### CSR Committee

The CSR Committee comprises Mr. Surinder Kumar Gupta (Chairman), Mr. Umesh Chander Garg, Mr. Subhash Chander Garg, Mr. Jatinder Singh and Mr. Vipin Gupta as members.

#### Audit Committee

The Audit Committee comprises Mr. Dalbir Singh (Chairman), Mr. Surinder Kumar Gupta, Mr. Avtar Singh and Mr. Jatinder Singh as members. All the recommendations made by the Audit Committee were accepted by the Board.

#### Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises Mr. Dalbir Singh (Chairman), Mr. Surinder Kumar Gupta and Mr. Avtar Singh as members.

The Company's Policy relating to appointment of Directors, payment of Managerial Remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 is furnished as **Annexure III** and forms part of this Report.

#### Whistle Blower Policy/Vigil Mechanism

The Company has a Vigil Mechanism and Whistle Blower Policy under which the employees are free to report violations of applicable laws, regulations and the code report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee. The Policy on vigil mechanism and whistle blower policy may be accessed on Company's website at the link <http://www.ruchirapapers.com/investors.html>. of conduct. The reportable matters may be disclosed to the Vigilance and Ethics Officer, who operates under the supervision of the Audit Committee.

#### Meetings of the Board

Four meetings of the Board of Directors were held during the year. For further details, please refer to report on Corporate Governance of this Annual Report. Further a separate meeting of the Independent Directors of the Company was also held on 19th March 2019, where at the

prescribed items enumerated under Schedule IV to the Companies Act, 2013 and regulation 25 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, were discussed.

### **Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo**

A statement giving details of Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo, as stipulated under Section 134 of the Companies Act, 2013 read with the Companies (Accounts) Rules, 2014, is set out herewith as **Annexure IV** to this Report.

### **Extract of Annual Return**

The details forming part of the extract of the Annual Return as on 31st March 2019 in form MGT-9 in accordance with Section 92(3) of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, are set out herewith as **Annexure V** to this Report. The same is available on Company's website at <http://www.ruchirapapers.com/investors.html>.

### **Secretarial Standards of ICSI**

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India and approved by the Central Government.

### **RELATED PARTY TRANSACTIONS:**

All Related Party Transactions that were entered into during the year were on an arm's length basis and were in compliance with applicable provisions of the Act and the Listing Regulations. The Board of Directors at their meeting held on 12.02.2018, pursuant to recommendation of Audit Committee, accorded its approval for increase in maximum aggregate value of material related party transactions and to enter fresh agreement with related parties. The same was further approved by Shareholders' of the Company through Postal Ballot on dated 22.03.2018. The approval was granted with the condition that transaction(s) shall be done at arm's length basis.

A statement of all Related Party Transactions is placed before the Audit Committee for its review on quarterly basis, specifying the nature, value and terms and conditions of the transactions. The particulars of every contract and arrangement entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are disclosed in Form No. AOC-2 in **Annexure VI** and were at arm's length price.

The details of the related party transactions as per IND AS 24 are set out in Note- 28 to the Financial Statements forming part of this report. The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the Link: <http://www.ruchirapapers.com/investors.html>.

### **DISCLOSURE RELATING TO REMUNERATION OF DIRECTORS, KEY MANAGERIAL PERSONNEL AND PARTICULAR OF EMPLOYEES:**

Number of Employees as on March 31, 2019 was 1007.

The remuneration paid to the Directors is in accordance with the Nomination and Remuneration Policy formulated in accordance with Section 178 of the Companies Act, 2013 and Regulation 19 of the Listing Regulations (Including any statutory modification(s) or re-enactment(s) for the time being in force).

The information required pursuant to Section 197(12) read with rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, in respect of the Directors/employees of the Company is set out in **Annexure-VII** to this report.

### **GENERAL:**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a) Details relating particulars of Loans given, Investment made, Guarantee given and Securities provided u/s 186.
- b) No significant or material orders were passed by the Regulators or Courts of Tribunals which impact the going concern status and Company's operations in future.

Your Directors further state that during the year under review, there was no case filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

### **DIRECTORS' RESPONSIBILITY STATEMENT:**

The pursuant to statement of the Directors' Responsibility on Annual Accounts of the Company referred to in clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm:

- a. that in preparation of annual accounts, the applicable accounting standards and Schedule III of the Companies Act, 2013 had been followed along with proper explanation relating to material departures (if any);
- b. that 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 at the end of the financial year and of profits and loss of the Company for that period;
- 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 assets of the Company and for preventing and detecting fraud and other irregularities;
- d. that the directors had prepared Annual Accounts on going concern basis;
- e. that the directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f. that the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### APPRECIATION:

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 contribution and hard work of Executives, Employees and Workers.

For and on behalf of the Board

Date: 12th August 2019

Place: Kala-Amb

Subhash Chander Garg

(Chairman & Whole Time Director)

## Annexure-I to Directors' Report

Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2018-19

### 1. Brief outline of Company's CSR Policy:

As a responsible business, Ruchira Papers takes pride in being socially inclined and focuses on sustained and effective Corporate Social Responsibility Projects. Today we define Corporate Social Responsibility as the way a Company balances it's economic, social and environmental objectives while addressing stakeholder expectations and enhancing shareholders value. Our employees are also encouraged to volunteer their time and skills and enjoy the experience of giving back to the communities in which they work.

The Company has identified the projects in a participatory manner, in consultation with the interested communities and in consonance with Schedule VII of the Companies Act, 2013. Arising from this, the focus areas that have emerged are the Rural and Infrastructure Development, Providing quality education, Health care, Sustainable livelihood and Environment Sustainability. All of our projects of CSR to be carried by the Ruchira Papers Limited or through the Trust/ Society in accordance with the Act and Rules.

Web Link: <http://www.ruchirapapers.com/investors.html>

### 2. Composition of CSR Committee:

Name of the Member	Designation
Surinder Kumar Gupta	Chairman
Subhash Chander Garg	Member
Umesh Chander Garg	Member
Jatinder Singh	Member
Vipin Gupta	Member

### 3. Average net profit of the Company for the last three financial years.

The average net profit as per Section 198 for the purpose of CSR of three financial years preceding the reporting financial year i.e 2017-18, 2016-17, 2015-16 is ₹4525.51 Lakhs.

### 4. Prescribed CSR Expenditure (being Two percent of the amount as in item 3 above)

The Company is required to spend ₹90.51 Lakhs.

### 5. Details of CSR spent for the Financial Year:

- Total amount spent for the financial year: ₹66.92 Laksh
- Amount unspent if any: ₹23.59 Lakhs
- Manner in which the amount spent during the financial year is detailed below:

S. No	CSR Project or activity identified	Sector in which project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount Spent	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
1	Construction of School room at Govt. Primary School, Kala Amb, Distt- Sirmaur, H.P	Promotion of Education	Distt- Sirmaur, Himachal Pradesh	₹3500000	₹1002543	₹1002543	Implementing* Agency

S. No	CSR Project or activity identified	Sector in which project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount Spent	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
2	Construction of School room at Govt. Senior Secondary School, Kala Amb, Distt- Sirmaur, H.P	Promotion of Education	Distt- Sirmaur, Himachal Pradesh		₹975180	₹975180	Implementing* Agency
3	Distribution of Sweater, Shoes, socks, etc at Govt. School at Kala Amb, Jattan wala, Pallion and other primary schools in the area etc	Promotion of Education	Distt- Sirmaur, Himachal Pradesh		₹909174	₹909174	Implementing* Agency
4	Installation of Water Cooler at Govt. School, Vill-Khari, Kala Amb	Making available safe drinking water	Distt- Sirmaur, Himachal Pradesh	₹51000	₹50360	₹50360	Implementing* Agency
5	Plantation of trees and other activities relating to environment sustainability and sanitation in Kala Amb, Distt- Sirmaur, HP-173030	Environment sustainability and Sanitation	Distt- Sirmaur, Himachal Pradesh	₹200000	₹140249	₹140249	Implementing* Agency
6	Contribution towards Kerala Flood Relief Fund	Eradicating Hunger, Promoting health care etc	Kerala	₹2100000	₹2100000	₹2100000	Directly
7	Contribution towards Eradication of Polio with Rotary Foundation- INDIA	Promoting health Care	PAN India	₹1000000	₹1000000	₹1000000	Implementing# Agency

S. No	CSR Project or activity identified	Sector in which project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount Spent	Cumulative expenditure up to the reporting period	Amount spent Direct or through implementing agency
8	Electricity Charges for Street Lights Installed at Road Constructed by Company at Vill-Rampur Jattan, Kala Amb	Rural Development Project	Distt- Sirmaur, Himachal Pradesh	₹20000	₹14731	₹14731	Implementing* Agency
9	Contribution towards Distt Olympic Association, Ropar for promotion of activities relating to sports.	Promotion of Sports Activities	Distt-Ropar, Punjab	₹500000	₹500000	₹500000	Implementing* Agency
				<b>Total</b>	<b>₹6692237</b>	<b>₹6692237</b>	

(\*) Implementing agency- Ruchira Charitable Trust

(#) Implementing agency- Rotary Foundation, India

## 6. Reasons for failure to spend the required amount:

The Company is committed to focus on inclusive growth and improve lives by contributing towards communities around which it operates. The dedicated commitment towards inclusive growth is manifested through the Company's CSR initiatives undertaken around the manufacturing facilities during the financial year 2018-19. During the year, the Company's spend on the CSR activities has been less than the limits prescribed under Companies Act, 2013. The CSR activities are scalable with few new initiatives that may be considered in future and moving forward the Company will endeavour to spend the complete amount on CSR

activities in accordance with the statutory requirements. For this reason, during the year, the Company's spend on the CSR activities has been less than the limits prescribed under Companies Act, 2013.

## 7. Responsibility Statement:

The implementation and monitoring of Corporate Social Responsibility (CSR) Policy, is in compliance with CSR objectives and policy of the Company.

**Umesh Chander Garg**  
Managing Director

**Surinder Gupta**  
Chairman-CSR Committee



## Annexure-II to Directors' Report

FORM NO. MR-3

### SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st March, 2019

(Pursuant to section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To,  
The Members,  
Ruchira Papers Limited  
Tirlokpur Road, Kala Amb  
Himachal Pradesh-173030

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Ruchira Papers Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Ruchira Papers Limited for the financial year ended on 31st March, 2019 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA) and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not Applicable to the Company during the year)
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable to the Company during the year)
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) OTHER APPLICABLE ACTS,
- (a) Factories Act, 1948 and Rules made there under
  - (b) Employees' Provident Fund and Miscellaneous Provisions Act, 1952, and Rules made there under,
  - (c) Employees' State Insurance Act, 1948, and rules made thereunder,
  - (d) Payment of Wages Act, 1936, and rules made there under,
  - (e) Air (Prevention & Control of Pollution ) Act, 1981
  - (f) Water (Prevention & Control of Pollution ) Act, 1974
  - (g) Minimum Wages Act, 1948



- (h) Payment of Bonus Act, 1965
- (i) Industrial Employment (Standing Orders) Act, 1946

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange and National Stock Exchange read with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above.

I further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non- Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation of the meeting.

All decisions of the board and committee meetings were taken with the requisite majority and recorded as part of the minutes.

I further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Further, I report that During the year, the Allotment Committee of the Board of Directors of the Company at its meeting held on 19th November 2018 has made allotment of 18,30,000 Equity Shares of the face value of ₹10/- each at a premium of ₹130.50/- per share to promoter/promoter group consequent upon exercise of their rights for conversion of warrants into equity shares. Upon allotment of these equity shares, the paid up equity capital of the Company has increased from ₹22,42,18,040/- comprising of 22421804 equity shares of the face value of ₹10/- each to ₹24,25,18,040/- comprising 24251804 equity shares of the face value of ₹10/- each. The above allotment was in compliance with all the applicable laws and rules.

For R.K.Bhalla & Associates  
Company Secretaries

Place: Yamuna Nagar  
Date: 15th May 2019

Rajinder Kumar Bhalla  
(Proprietor)  
ACS No: 10525  
CP No: 7360

Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE A' and forms an integral part of this report.

## ANNEXURE - A

To,  
The Members,  
Ruchira Papers Limited  
Tirlokpur Road, Kala Amb  
Himachal Pradesh-173030

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For **R.K.Bhalla & Associates**  
Company Secretaries

Place: Yamuna Nagar  
Date: 15th May 2019

**Rajinder Kumar Bhalla**  
(Proprietor)  
ACS No: 10525  
CP No: 7360

## Annexure-III to Directors' Report

### Nomination and Remuneration Policy of Ruchira Papers Limited

#### Introduction

In terms of the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 (earlier old listing agreement) the Company has formulated "Nomination and Remuneration Policy." This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors of the Company. This policy shall supersede the earlier "Nomination and Remuneration Policy" as approved by the Board of Directors on 28th May 2014.

#### I. Definitions

1. "Act" means the Companies Act, 2013 and Rules framed there under, as amended from time to time.
2. "Board" means Board of Directors of the Company.
3. "Company" means Ruchira Papers Limited.
4. "Directors" mean Directors of the Company.
5. "Committee" means Nomination and Remuneration committee of the Company as constituted or re-constituted by the Board, from time to time.
6. "Key Managerial Personnel" means
  - i. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole Time Director;
  - ii. Chief Financial Officer;
  - iii. Company Secretary; and
  - iv. Such other officer as may be prescribed.
7. "Senior Management" means the personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.
8. "Independent Director" is as provided under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and Companies Act, 2013.

#### II. Objectives

The Key Objectives are:

1. To guide the Board in relation to appointment and removal of Directors, Key Managerial Personnel and Senior Management.
2. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the remuneration of Directors, key managerial personnel and other employees.
3. Formulation of criteria for evaluation of Independent Director and the Board.
4. To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation of the Board.
5. To recommend to the Board on Remuneration payable to the Directors, Key Managerial Personnel and Senior Management.
6. To provide to Key Managerial Personnel and Senior Management reward linked directly to their effort, performance, dedication and achievement relating to the Company's operations.
7. To retain, motivate and promote talent and to ensure long term sustainability of talented managerial persons and create competitive advantage.
8. To develop a succession plan for the Board and to regularly review the plan.
9. To assist the Board in fulfilling responsibilities.
10. To implement and monitor policies and processes regarding principles of corporate governance.

#### III. Constitution of Nomination and Remuneration Committee

The Board of Directors of the Company constituted the committee known as the "Nomination and Remuneration Committee" consisting of three non-executive directors out of which not less than one-half are independent directors. The Chairman of the Committee is an Independent Director.

#### IV. Policy for appointment and removal of Director, KMP and senior Management

##### 1. Appointment Criteria and Qualification

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board of his / her appointment.
- b) A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient/ satisfactory for the concerned position.
- c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

d) A whole-time KMP of the Company shall not hold office in more than one Company except in its Subsidiary Company at the same time. However they can be appointed as Director in any Company with the permission of the Board of Directors of the Company.

## 2. Term/Tenure

### a) Managing Director/ Whole Time Director

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

### b) Independent Director

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of up to maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

Every Independent Director shall at the first meeting of the Board in which he participates as a director and thereafter at the first meeting of the Board in every financial year or whenever there is any change, give a declaration that he meets the criteria of independence.

### c) Evaluation

The Committee shall carry out evaluation of performance of every Director including Independent Director, KMP and Senior Management Personnel at regular interval (yearly). Based on the evaluation performance report of the board, it shall be determined whether to extend or continue the term of appointment of the independent Directors

### d) Removal

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations there under, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

### e) Retirement

The Directors, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## V. Policy for Remuneration to Directors/ KMP/ Senior Management Personnel

### 1. Remuneration to Managing Director/ Whole Time/ Executive / KMP and Senior Management Personnel

The Remuneration/ Compensation/ Commission etc. to be paid to Director/ Managing Director etc. shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

### 2. Remuneration to Non –Executive/ Independent Director

The Non-Executive Independent Director may receive remuneration/ compensation/ commission as per the provisions of Companies Act, 2013. The amount of sitting fees shall be subject to ceiling/ limits as provided under Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

## VI. Policy Review

This policy is framed based on the provisions of the Companies Act, 2013 read with rules made there under and the requirements of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (Earlier Clause 49 of the Listing Agreement).

This policy shall be reviewed by Nomination and Remuneration Committee as and when any changes are to be incorporated in the policy due to change in regulations or as may be felt appropriate by the Committee. Any changes in the policy shall be approved by the Board of Directors.

## Annexure-IV to Directors' Report

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo required under the Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014.

### A) CONSERVATION OF ENERGY

i) Energy conservation is continued to be an important thrust area for the Company and is continuously monitored. The steps taken or impact of conservation of energy were:

- At Paper Machine No. 03, VFD is installed at Compressor No. 02, Compressor No. 04 and Vacuum Pump No. 02 to control the Motor RPMs as per equipment's requirement which resulted in reduction of power consumption.
- At Paper Machine No. 03, Water pump motors replaced with energy efficient pump to improve the flow and reduce the running load.
- Applied Insulation/Thermal paint at hot spots of Kraft Paper Boiler to prevent heat losses.
- Replacement of old and higher energy consuming

lights with efficient LED lights.

- VFD's installed at Kraft Unit Boiler feed pump, Pulp Mill mixing chest pump and various other sections to control the RPMs of the Motor as per equipment's requirement which resulted in reduction of power consumption.

ii) The steps taken by the Company for utilizing alternate source of energy:

The Company is generating steam from Chemical Recovery Boiler, wherein Black Liquor Solids are fired to generate the steam and the same is confirmed as Renewable Biomass Source by Ministry of New & Renewable Energy, Govt. of India.

Total Energy Consumption per unit of production of paper for the year 2018-19 is given in table below.

#### Power and Fuel Consumption:

Particulars	2018-19	2017-18
1. Electricity		
a) Purchased		
Units (KVAH)	41728620	32573610
Total Amount (₹)	245282404	191516933
Rate per Unit (₹)	5.88	5.88
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 (₹)	Nil	Nil
ii) Through Steam Turbine		
Units	51309720	51546100
Units per Ltr. Of fuel oil/ gas	Nil	Nil
Cost / units	Nil	Nil
2. Coal (specify quality and where used)		
Quantity (ton)- Used in Boiler	49564.299	41045.668
Total Cost (₹ In Lakhs)	4611.18	3594.07
Average Rate (PMT)	9303.43	8756
3. Used in Boiler		
Furnace Oil :-		
Quantity (K.ltrs)	210.55	297.643
Total amount(₹ Lakhs)	79.55	85.25
Average Rate (₹/K.ltrs)	37851	28643.85
4. Others: Used in Boiler		
a) Rice Husk (M.T.)	38760.384	42527.255
Cost (in Lakhs)	1817.24	1598.73
b) Boiler Fuel-Misc(M.T)	25991.127	22071.635
Cost (in Lakhs)	633.72	378.58
c) Lime Stone (M.T)	594.004	386.143
Cost (In Lakhs)	9.38	3.64
Total Fuel Cost (In Lakhs)(2+3+4)	7151.07	5660.27

## Consumption per Unit of Production:

Particulars	2018-19	2017-18
a. Liner Kraft Paper		
Production(M.T.)	77287	67999
Electricity (in Units) per Ton of production	434	400
Furnace oil	Nil	Nil
Coal/Tonne (MT)	0.099	0.141
Others (Rice Husk)/Tonne (MT)	0.236	0.135
b. Writing & Printing Paper		
Production(M.T.)	51544	47425
Electricity (in Units) per Ton of production	1155	1200
Furnace oil/Tonne(KL)	0.004	0.006
Coal/Tonne (MT)	0.812	0.663
Others (Rice Husk)/Tonne(MT)	0.397	0.703

## B) TECHNOLOGY ABSORPTION

## Research and Development (R&amp;D)

1.	Specific areas in which R&D carried out by the Company.	Development of Building Products/ Building Material from Lime Sludge
2.	Benefits derived as a result of the above R&D.	R & D work is under process.
3.	Future plan of action.	The main purpose of R & D is to develop Building Products/Building Material from Lime Sludge that is commercially saleable.
4.	Expenditure on R&D	
a)	Capital	₹10.00 Lakhs
b)	Recurring	Nil
c)	Total	₹10.00 Lakhs
d)	Total R&D expenditure as a percentage of total turnover.	0.02%
Technology absorption ,adaptation and innovation		
1.	Efforts, in brief, made towards technology absorption, adaptation and innovation.	Nil
2.	Benefits derived as a result of the above efforts, e.g. product improvement , cost reduction, product development, import substitution, etc.	Nil
3.	In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year), following information may be furnished:	Nil
(a)	Technology imported.	Nil
(b)	Year of import.	Nil
(c)	Has technology been fully absorbed?	Nil
(d)	If not fully absorbed, areas where this has not taken place, reasons therefore and future plans of action.	Nil

## C) FOREIGN EXCHANGE EARNINGS AND OUTGO

Activities relating to exports, initiatives taken to increase exports, development of new export markets for products and services and export plans.

Total Foreign Exchange used and earned:

(₹ in Lakhs)

Particulars	2018-19	2017-18
Foreign Exchange earned	710.64	513.50
Foreign Exchange Used	2802.55	1630.70

## Annexure-V to Directors' Report

Form MGT-9

Extract of Annual Return

As on the financial year ended on 31st March 2019

[Pursuant to section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

### I. REGISTRATION & OTHER DETAILS:

CIN	L21012HP1980PLC004336
Registration Date	08th DECEMBER 1980
Name of the Company	RUCHIRA PAPERS LIMITED
Category/Sub-category of the Company	PUBLIC LIMITED COMPANY/LIMITED BY SHARES
Address of the Registered office & contact details	TIRLOKPUR ROAD, KALA AMB, HP-173030 PH: +91-8053800897, E-MAIL- CS@RUCHIRAPAPERS.COM WEBSITE: WWW.RUCHIRAPAPERS.COM
Whether listed Company	YES
Name, Address & contact details of the Registrar & Transfer Agent, if any.	DELHI OFFICE: NOBLE HEIGHT 1ST FLOOR, PLOT NO. NH-2, C-1 BLOCK, LSC NEAR SAVITRI MARKET, JANAKPURI, NEW DELHI-110058. EMAIL: delhi@linkintime.co.in PH: 011-49411000

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated

Sl. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the Company
1	Paper & Paper Products	170	99.39

### III. PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

Sl. No.	Name & Address of the Company	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	N.A	N.A	N.A	N.A	N.A

### IV. SHAREHOLDING PATTERN: (Equity Share Capital Breakup as % to total Equity)

#### i) Category Wise Shareholding

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/HUF	13708278	0	13708278	61.14	15538278	0	15538278	64.07	2.93
b) Central Govt. or State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL:(A) (1)	13708278	0	13708278	61.14	15538278	0	15538278	64.07	2.93
(2) Foreign									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00



Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2018)				No. of Shares held at the end of the year (31.03.2019)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any other...	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (A) (2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	13708278	0	13708278	61.14	15538278	0	15538278	64.07	2.93
<b>B. PUBLIC SHAREHOLDING</b>									
(1) Institutions									
a) Mutual Funds	22000	0	22000	0.10	0	0	0	0	(0.10)
b) Foreign Portfolio Investor	155050	0	155050	0.69	140158	0	140158	0.58	(0.11)
c) Banks/FI	15464	0	15464	0.07	23584	0	23584	0.10	0.03
d) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
e) State Govt.	0	0	0	0.00	0	0	0	0.00	0.00
f) Venture Capital Fund	0	0	0	0.00	0	0	0	0.00	0.00
g) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
h) FIIS	0	0	0	0.00	0	0	0	0.00	0.00
i) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
j) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
SUB TOTAL (B)(1):	192514	0	192514	0.86	163742	0	163742	0.68	(0.18)
(2) Non Institutions									
a) Bodies corporate									
i) Indian	772495	0	772495	3.45	594808	0	594808	2.45	(1.00)
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 Lakh	4560172	162	4560334	20.34	5285859	162	5286021	21.80	1.46
ii) Individuals shareholders holding nominal share capital in excess of ₹1 Lakh	2335506	0	2335506	10.42	1770347	0	1770347	7.30	(3.12)
c) Others (specify)									
Clearing Member	97103	0	97103	0.43	100731	0	100731	0.42	(0.01)
Directors/Relatives	20742	0	20742	0.09	22742	0	22742	0.09	0.00
Independent Directors	500	0	500	0.00	500	0	500	0.00	0.00
Non Resident Indians	428557	0	428557	1.91	432142	0	432142	1.78	(0.13)
Hindu Undivided Family	305775	0	305775	1.36	312425	0	312425	1.29	(0.07)
NBFC registered with RBI	0	0	0	0	30068	0	30068	0.12	0.12
SUB TOTAL (B)(2):	8520850	162	8521012	38.00	8549622	162	8549784	35.25	(2.75)
Total Public Shareholding (B)= (B)(1)+(B)(2)	8713364	162	8713526	38.86	8713364	162	8713526	35.93	(2.93)
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
<b>Grand Total (A+B+C)</b>	<b>22421642</b>	<b>162</b>	<b>22421804</b>	<b>100.00</b>	<b>24251642</b>	<b>162</b>	<b>24251804</b>	<b>100.00</b>	

ii) Shareholding of Promoters & Promoters group

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2018)			Shareholding at the end of the year (31.03.2019)			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	Jatinder Singh	2359090	10.52	0	2444090	10.08	0	(0.44)
2	Umesh Chander Garg	1268855	5.66	0	1470455	6.06	0	0.40
3	Charanjeet Kaur	1167934	5.21	0	1273534	5.25	0	0.04
4	Subhash Chander Garg	848170	3.78	0	936170	3.86	0	0.08
5	Shashi Garg	833409	3.72	0	870109	3.59	0	(0.13)
6	Praveen Garg	614505	2.74	0	724505	2.99	0	0.25
7	Radhika Garg	646841	2.88	0	734841	3.03	0	0.15
8	Vaishali Viral Jhaveri	609520	2.72	0	697520	2.88	0	0.16
9	Deepan Garg	657959	2.94	0	745959	3.08	0	0.14
10	Ruchica G Kumar	604504	2.70	0	692504	2.86	0	0.16
11	Shaloo Gupta	604501	2.70	0	692501	2.86	0	0.16
12	Atul Garg	495113	2.21	0	583113	2.40	0	0.20
13	Daljeet Singh Mandhan	259793	1.16	0	400593	1.65	0	0.49
14	Jagdeep Singh	236835	1.06	0	377635	1.56	0	0.50
15	Lucky Garg	421901	1.88	0	546501	2.25	0	0.37
16	Shelly Garg	30000	0.13	0	30000	0.12	0	(0.01)
17	Umesh Chander Garg HUF	848569	3.78	0	919669	3.79	0	0.01
18	Subhash Chander Garg HUF	638625	2.85	0	698625	2.88	0	0.03
19	Jatinder Singh HUF	545654	2.43	0	583804	2.41	0	(0.03)
20	Ankita Garg	16500	0.07	0	16500	0.06	0	(0.01)
21	Daljeet Singh HUF	0	0	0	41000	0.17	0	0.17
22	Jagdeep Singh HUF	0	0	0	38150	0.16	0	0.16
23	Kudrat Mandhan	0	0	0	10250	0.04	0	0.04
24	Nimrat Kaur	0	0	0	10250	0.04	0	0.04
	Total	13708278	61.14	0	15538278	64.07	0	2.93

iii) Change in Promoters' Shareholding (please specify, if there is no change)-

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No. of shares held	% of total shares of the Company
1	JATINDER SINGH	2359090	10.5214			2359090	10.5214
	Allotment			19.11.2018	85000	2444090	10.0780
	AT THE END OF THE YEAR					2444090	10.0780
2	UMESH CHANDER GARG	1268855	5.6590			1268855	5.6590
	Allotment			19.11.2018	201600	1470455	6.0633
	AT THE END OF THE YEAR					1470455	6.0633
3	CHARANJEET KAUR	1167934	5.2089			1167934	5.2089
	Allotment			19.11.2018	105600	1273534	5.2513
	AT THE END OF THE YEAR					1273534	5.2513
4	SUBHASH CHANDER GARG	848170	3.7827			848170	3.7827
	Allotment			19.11.2018	88000	936170	3.8602
	AT THE END OF THE YEAR					936170	3.8602

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No. of shares held	% of total shares of the Company
5	UMESH GARG HUF	848569	3.7845			848569	3.7845
	Allotment			19.11.2018	71100	919669	3.7922
	AT THE END OF THE YEAR					919669	3.7922
6	SHASHI GARG	833409	3.7169			833409	3.7169
	Allotment			19.11.2018	36700	870109	3.5878
	AT THE END OF THE YEAR					870109	3.5878
7	DEEPAN GARG	657959	2.9344			657959	2.9344
	Allotment			19.11.2018	88000	745959	3.0759
	AT THE END OF THE YEAR					745959	3.0759
8	RADHIKA GARG	646841	2.8848			646841	2.8848
	Allotment			19.11.2018	88000	734841	3.0300
	AT THE END OF THE YEAR					734841	3.0300
9	PARVEEN GARG	614505	2.7406			614505	2.7406
	Allotment			19.11.2018	110000	724505	2.9874
	AT THE END OF THE YEAR					724505	2.9874
10	SUBHASH CHANDER GARG HUF	638625	2.8482			638625	2.8482
	Allotment			19.11.2018	60000	698625	2.8807
	AT THE END OF THE YEAR					698625	2.8807
11	VAISHALI VIRAL JHAVERI	609520	2.7184			609520	2.7184
	Allotment			19.11.2018	88000	697520	2.8762
	AT THE END OF THE YEAR					697520	2.8762
12	RUCHICA G KUMAR	604504	2.6960			604504	2.6960
	Allotment			19.11.2018	88000	692504	2.8555
	AT THE END OF THE YEAR					692504	2.8555
13	SHALOO GUPTA	604501	2.6960			604501	2.6960
	Allotment			19.11.2018	88000	692501	2.8555
	AT THE END OF THE YEAR					692501	2.8555
14	JATINDER SINGH HUF	545654	2.4335			545654	2.4335
	Allotment			19.11.2018	38150	583804	2.4073
	AT THE END OF THE YEAR					583804	2.4073
15	ATUL GARG	495113	2.2081			495113	2.2081
	Allotment			19.11.2018	88000	583113	2.4044
	AT THE END OF THE YEAR					583113	2.4044
16	LUCKY GARG	421901	1.8816			421901	1.8816
	Allotment			19.11.2018	124600	546501	2.2534
	AT THE END OF THE YEAR					546501	2.2534
17	DALJEET SINGH MANDHAN	259793	1.1586			259793	1.1586
	Allotment			19.11.2018	140800	400593	1.6518
	AT THE END OF THE YEAR					400593	1.6518
18	JAGDEEP SINGH	236835	1.0562			236835	1.0562
	Allotment			19.11.2018	140800	377635	1.5571
	AT THE END OF THE YEAR					377635	1.5571
19	DALJEET SINGH HUF	0	0.0000			0	0.0000
	Allotment			19.11.2018	41000	41000	0.1691
	AT THE END OF THE YEAR					41000	0.1691
20	JAGDEEP SINGH HUF	0	0.0000			0	0.0000
	Allotment			19.11.2018	38150	38150	0.1573
	AT THE END OF THE YEAR					38150	0.1573
21	SHELLY GARG	30000	0.1337			30000	0.1337
	AT THE END OF THE YEAR					30000	0.1237
22	ANKITA GARG	16500	0.0735			16500	0.0735

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No. of shares held	% of total shares of the Company
	AT THE END OF THE YEAR					16500	0.0680
23	NIMRAT KAUR	0	0.0000			0	0.0000
	Allotment			19.11.2018	10250	10250	0.0423
	AT THE END OF THE YEAR					10250	0.0423
24	KUDRAT MANDHAN	0	0.0000			0	0.0000
	Allotment			19.11.2018	10250	10250	0.0423
	AT THE END OF THE YEAR					10250	0.0423

iv) Shareholding Pattern of top ten Shareholders (Other than Directors, Promoters & Holders of GDRs & ADRs)

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No. of shares held	% of total shares of the Company
1	DOLLY KHANNA	373128	1.5386			373128	1.5386
	Transfer			27 Apr 2018	(2000)	371128	1.5303
	Transfer			25 May 2018	(10970)	360158	1.4851
	Transfer			01 Jun 2018	(3000)	357158	1.4727
	Transfer			08 Jun 2018	(18200)	338958	1.3977
	Transfer			20 Jul 2018	(2000)	336958	1.3894
	Buy			10 Aug 2018	8430	345388	1.4242
	Buy			24 Aug 2018	12000	357388	1.4737
	Transfer			21 Dec 2018	(4000)	353388	1.4572
	Transfer			28 Dec 2018	(4000)	349388	1.4407
	Transfer			11 Jan 2019	(3000)	346388	1.4283
	Transfer			18 Jan 2019	(5000)	341388	1.4077
	Transfer			25 Jan 2019	(5000)	336388	1.3871
	Transfer			01 Feb 2019	(9000)	327388	1.3500
	Transfer			08 Feb 2019	(2000)	325388	1.3417
	Transfer			15 Feb 2019	(21200)	304188	1.2543
	Transfer			22 Feb 2019	(11000)	293188	1.2089
	Transfer			01 Mar 2019	(2000)	291188	1.2007
	Transfer			08 Mar 2019	(1000)	290188	1.1966
	Transfer			15 Mar 2019	(6000)	284188	1.1718
	Transfer			22 Mar 2019	(4000)	280188	1.1553
	Transfer			29 Mar 2019	(7000)	273188	1.1265
	Transfer			30 Mar 2019	(3000)	270188	1.1141
	AT THE END OF THE YEAR					270188	1.1141
2	RAVINDER SINGH	134160	0.5532			134160	0.5532
	AT THE END OF THE YEAR					134160	0.5532
3	INDIA MAX INVESTMENT FUND LTD	130000	0.5360			130000	0.5360
	AT THE END OF THE YEAR					130000	0.5360
4	DEVIKA ANAND	97599	0.4024			97599	0.4024
	AT THE END OF THE YEAR					97599	0.4024
5	SARITA GUPTA	29300	0.1208			29300	0.1208
	Transfer			20 Apr 2018	(1185)	28115	0.1159

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No. of shares held	% of total shares of the Company
	Transfer			27 Apr 2018	(7645)	20470	0.0844
	Transfer			04 May 2018	(10220)	10250	0.0423
	Transfer			11 May 2018	(10250)	0	0.0000
	Buy			10 Aug 2018	90029	90029	0.3712
	Buy			24 Aug 2018	33000	123029	0.5073
	Transfer			18 Jan 2019	(27425)	95604	0.3942
	Transfer			25 Jan 2019	(2972)	92632	0.3820
	AT THE END OF THE YEAR					92632	0.3820
6	DHARMENDAR KUMAR	90700	0.3740			90700	0.3740
	AT THE END OF THE YEAR					90700	0.3740
7	JANAK MATHURADAS	61386	0.2531			61386	0.2531
	Buy			19 Oct 2018	2662	64048	0.2641
	AT THE END OF THE YEAR					64048	0.2641
8	D SRIMATHI	26000	0.1072			26000	0.1072
	Buy			07 Sep 2018	9000	35000	0.1443
	Buy			29 Sep 2018	950	35950	0.1482
	Buy			05 Oct 2018	4437	40387	0.1665
	Buy			12 Oct 2018	4557	44944	0.1853
	Buy			30 Nov 2018	1000	45944	0.1894
	Buy			04 Jan 2019	1000	46944	0.1936
	Buy			11 Jan 2019	5000	51944	0.2142
	Buy			18 Jan 2019	1000	52944	0.2183
	Buy			25 Jan 2019	1000	53944	0.2224
	AT THE END OF THE YEAR					53944	0.2224
9	MADHUSHREE KEJRIWAL	39926	0.1646			39926	0.1646
	Buy			25 May 2018	5000	44926	0.1852
	Buy			30 Jun 2018	250	45176	0.1863
	Buy			29 Sep 2018	823	45999	0.1897
	Buy			05 Oct 2018	1000	46999	0.1938
	Buy			12 Oct 2018	500	47499	0.1959
	Transfer			09 Nov 2018	(250)	47249	0.1948
	Transfer			16 Nov 2018	(250)	46999	0.1938
	Buy			25 Jan 2019	500	47499	0.1959
	AT THE END OF THE YEAR					47499	0.1959
10	NIFTY PORTFOLIO SERVICES PVT LTD	40000	0.1649			40000	0.1649
	Buy			22 Feb 2019	5000	45000	0.1856
	AT THE END OF THE YEAR					45000	0.1856
11	ANGEL BROKING LIMITED	127049	0.5239			127049	0.5239
	Transfer			06 Apr 2018	(15624)	111425	0.4595
	Transfer			13 Apr 2018	(1803)	109622	0.4520
	Transfer			20 Apr 2018	(9014)	100608	0.4148
	Buy			27 Apr 2018	2406	103014	0.4248
	Buy			04 May 2018	8890	111904	0.4614
	Buy			11 May 2018	5425	117329	0.4838
	Buy			18 May 2018	6212	123541	0.5094
	Buy			25 May 2018	17958	141499	0.5835
	Buy			01 Jun 2018	2648	144147	0.5944
	Buy			08 Jun 2018	6189	150336	0.6199
	Transfer			15 Jun 2018	(4927)	145409	0.5996



Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No. of shares held	% of total shares of the Company
	Transfer			22 Jun 2018	(18381)	127028	0.5238
	Transfer			30 Jun 2018	(5050)	121978	0.5030
	Transfer			06 Jul 2018	(6501)	115477	0.4762
	Transfer			13 Jul 2018	(4590)	110887	0.4572
	Transfer			20 Jul 2018	(11121)	99766	0.4114
	Transfer			27 Jul 2018	(3696)	96070	0.3961
	Transfer			03 Aug 2018	(11208)	84862	0.3499
	Transfer			10 Aug 2018	(2932)	81930	0.3378
	Transfer			17 Aug 2018	(5093)	76837	0.3168
	Transfer			24 Aug 2018	(15108)	61729	0.2545
	Buy			31 Aug 2018	4909	66638	0.2748
	Transfer			07 Sep 2018	(2412)	64226	0.2648
	Transfer			14 Sep 2018	(12805)	51421	0.2120
	Transfer			21 Sep 2018	(542)	50879	0.2098
	Transfer			29 Sep 2018	(2352)	48527	0.2001
	Buy			05 Oct 2018	3512	52039	0.2146
	Transfer			12 Oct 2018	(5995)	46044	0.1899
	Transfer			19 Oct 2018	(3268)	42776	0.1764
	Transfer			26 Oct 2018	(186)	42590	0.1756
	Buy			02 Nov 2018	2563	45153	0.1862
	Transfer			09 Nov 2018	(5423)	39730	0.1638
	Transfer			16 Nov 2018	(3072)	36658	0.1512
	Buy			23 Nov 2018	544	37202	0.1534
	Transfer			30 Nov 2018	(3831)	33371	0.1376
	Buy			07 Dec 2018	1806	35177	0.1450
	Transfer			14 Dec 2018	(949)	34228	0.1411
	Transfer			21 Dec 2018	(3771)	30457	0.1256
	Transfer			28 Dec 2018	(780)	29677	0.1224
	Transfer			31 Dec 2018	(618)	29059	0.1198
	Buy			04 Jan 2019	829	29888	0.1232
	Buy			11 Jan 2019	3266	33154	0.1367
	Transfer			18 Jan 2019	(2469)	30685	0.1265
	Buy			25 Jan 2019	1693	32378	0.1335
	Buy			01 Feb 2019	3005	35383	0.1459
	Buy			08 Feb 2019	279	35662	0.1470
	Buy			15 Feb 2019	15201	50863	0.2097
	Transfer			22 Feb 2019	(5499)	45364	0.1871
	Transfer			01 Mar 2019	(4323)	41041	0.1692
	Transfer			08 Mar 2019	(7671)	33370	0.1376
	Transfer			15 Mar 2019	(1024)	32346	0.1334
	Transfer			22 Mar 2019	(1180)	31166	0.1285
	Transfer			29 Mar 2019	(914)	30252	0.1247
	AT THE END OF THE YEAR					30252	0.1247
12	R PATTABIRAMAN	179801	0.7414			179801	0.7414
	Transfer			06 Apr 2018	(1300)	178501	0.7360
	Transfer			20 Apr 2018	(50291)	128210	0.5287
	Transfer			27 Apr 2018	(117951)	10259	0.0423
	Transfer			04 May 2018	(10259)	0	0.0000
	Buy			29 Sep 2018	22534	22534	0.0929
	Transfer			21 Dec 2018	(3929)	18605	0.0767

Sr No.	Name & Type of Transaction	Shareholding at the beginning of the year - 2018		Transactions during the year		Cumulative Shareholding at the end of the year - 2019	
		No. of shares held	% of total shares of the Company	Date of transaction	No. of shares	No. of shares held	% of total shares of the Company
	Transfer			11 Jan 2019	(18605)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
13	ALPESH ANANTRAI DOSHI	70000	0.2886			70000	0.2886
	Transfer			03 Aug 2018	(5442)	64558	0.2662
	Transfer			10 Aug 2018	(28558)	36000	0.1484
	Transfer			29 Sep 2018	(3116)	32884	0.1356
	Transfer			05 Oct 2018	(32884)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000
14	P P ZIBI JOSE	63444	0.2616			63444	0.2616
	Transfer			17 Aug 2018	(15831)	47613	0.1963
	Transfer			24 Aug 2018	(9530)	38083	0.1570
	Transfer			31 Aug 2018	(11182)	26901	0.1109
	Transfer			07 Sep 2018	(21191)	5710	0.0235
	Transfer			21 Sep 2018	(470)	5240	0.0216
	Transfer			29 Sep 2018	(3294)	1946	0.0080
	Transfer			05 Oct 2018	(235)	1711	0.0071
	Transfer			19 Oct 2018	(1711)	0	0.0000
	AT THE END OF THE YEAR					0	0.0000

## Note:

1. Paid up Share Capital of the Company (Face Value ₹10.00) at the end of the year is 24251804 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

## v) Shareholding of Directors &amp; Key Managerial Personnel

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
1	Jatinder Singh, Chairman & Whole Time Director				
	At the beginning of the year- 01.04.2018	2359090	10.52	2359090	10.52
	Allotment of shares:19.11.2018	85000	0.38	2444090	10.08
	At the end of the year-31.03.2019			2444090	10.08
2	Subhash Chander Garg, Co- Chairman & Whole Time Director				
	At the beginning of the year- 01.04.2018	848170	3.78	848170	3.78
	Allotment of shares:19.11.2018	88000	0.39	936170	3.86
	At the end of the year-31.03.2019			936170	3.86
3	Umesh Chander Garg, Managing Director				
	At the beginning of the year- 01.04.2018	1268855	5.66	1268855	5.66
	Allotment of shares:19.11.2018	201600	0.90	1470455	6.06
	At the end of the year-31.03.2019			1470455	6.06
4	Vipin Gupta- CFO & Executive Director				
	At the beginning of the year- 01.04.2018	20742	0.08	20742	0.08
	Open Market Purchase:30.05.2018	2000	0.01	22742	0.09
	At the end of the year-31.03.2019			22742	0.09



Sl. No.	Shareholder's Name	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total Shares of the Company	No. of Shares	% of total Shares of the Company
5	Dalbir Singh, Independent Director				
	At the beginning of the year- 01.04.2018	100	0.00	100	0.00
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc)	0	0.00		
	At the end of the year-31.03.2019			100	0.00
6	Surinder Kumar Gupta, Independent Director				
	At the beginning of the year- 01.04.2018	100	0.00	100	0.00
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc)	0	0.00		
	At the end of the year-31.03.2019			100	0.00
7	S.K.Dewan, Independent Director				
	At the beginning of the year- 01.04.2018	100	0.00	100	0.00
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc)	0	0.00		
	At the end of the year-31.03.2019			100	0.00
8	Avtar Singh, Independent Director				
	At the beginning of the year- 01.04.2018	100	0.00	100	0.00
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc)	0	0.00		
	At the end of the year-31.03.2019			100	0.00
9	Mrs. Suhasini Yadav, Independent Director				
	At the beginning of the year- 01.04.2018	100	0.00	100	0.00
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc)	0	0		
	At the end of the year-31.03.2019			100	0.00
10	Vishav Sethi, Company Secretary				
	At the beginning of the year- 01.04.2018	0	0.00	0	0.00
	Date wise increase/decrease in Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/ bonus/sweat equity etc)	0	0.00		
	At the end of the year-31.03.2019			0	0.00

## V. INDEBTNESS:

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Amount in ₹)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	813274370	68780000	0	882054370
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	813274370	68780000	0	882054370
Change in Indebtedness during the financial year				
Additions	94969376	0	0	94969376
Reduction	(160955334)	(68780000)	0	(229735334)
Net Change	(65985958)	(68780000)	0	(134765958)
Indebtedness at the end of the financial year				
i) Principal Amount	747288412	0	0	747288412
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	747288412	0	0	747288412

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole time director and/or Manager:

(₹ In Lakhs)

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager				Total Amount
		Subhash Chander Garg	Jatinder Singh	Umesh Chander Garg	Vipin Gupta	
1	Gross salary					
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	192.00	192.00	192.00	42.20	618.20
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	38.40	38.40	38.40	6.33	121.53
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0.00	0.00	0.00	0.00	0.00
2	Stock option	0.00	0.00	0.00	0.00	0.00
3	Sweat Equity	0.00	0.00	0.00	0.00	0.00
4	Commission as % of profit	0.00	0.00	0.00	0.00	0.00
	others (specify)	0.00	0.00	0.00	0.00	0.00
5	Others, please specify	0.00	0.00	0.00	0.00	0.00
	Total (A)	230.40	230.40	230.40	48.53	739.73
	Ceiling as per the Act	10% of Net profit for all Executive Directors- Managing & Whole Time Directors; 5% of Net profit to any one Managing or Whole Time Director				

### B. Remuneration to other directors:

(₹ In Lakhs)

Sl. No.	Particulars of Remuneration	Name of the Directors					Total Amount
		Dalbir Singh	Surinder Kumar Gupta	S. K. Dewan	Avtar Singh	Mrs. Suhasini Yadav	
1	Independent Directors						
	(a) Fee for attending board committee meetings	1.00	1.00	1.00	1.00	1.00	5.00
	(b) Commission	0	0	0	0	0	0
	(c) Others, please specify	0	0	0	0	0	0

(₹ In Lakhs)

Sl. No.	Particulars of Remuneration	Name of the Directors					Total Amount
		Dalbir Singh	Surinder Kumar Gupta	S. K. Dewan	Avtar Singh	Mrs. Suhasini Yadav	
	Total (1)	1.00	1.00	1.00	1.00	1.00	5.00
2	Other Non Executive Directors					0	
	(a) Fee for attending board committee meetings	0	0	0	0	0	0
	(b) Commission	0	0	0	0	0	0
	(c) Others, please specify.	0	0	0	0	0	0
	Total (2)	0	0	0	0	0	0
	Total (B)=(1+2)	1.00	1.00	1.00	1.00	1.00	5.00
	Ceiling as per the Act.	1% of Net Profits of the Company for all Non-Executive Directors excluding the Sitting fees					

### C. Remuneration to Key Managerial Personnel Other Than MD/Manager/WTD

(₹ In Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CFO & Executive Director	Company Secretary	
		Vipin Gupta	Vishav Sethi	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	42.20	11.16	53.36
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	6.33	1.71	8.04
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0.00
2	Stock option	0	0	0.00
3	Sweat Equity	0	0	0.00
4	Commission as % of profit	0	0	0.00
	others (specify)	0	0	0.00
5	Others, please specify	0	0	0.00
	Total (C)	48.53	12.87	61.40

## VII. LTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty					
Punishment					
Compounding					
C. OTHER OFFICERS IN DEFAULT					
Penalty					
Punishment					
Compounding					

N.A.

## Annexure-VI to Directors' Report

### Form AOC-2

[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013  
and Rule 8(2) of the Companies (Accounts) Rules, 2014]

FORM FOR DISCLOSURE OF PARTICULARS OF CONTRACTS/ARRANGEMENTS ENTERED INTO BY THE COMPANY WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188 OF THE COMPANIES ACT, 2013 INCLUDING CERTAIN ARMS LENGTH TRANSACTIONS UNDER THIRD PROVISIO THERETO.

Sl. No.	Particulars						
1	Details of Contracts or arrangements or transactions not at arm's length basis.	N.A.					
	Name (s) of the related party and nature of ownership						
	Nature of Contracts/ arrangements/ transaction						
	Duration of the Contracts/ arrangements/ transactions						
	Salient terms of the Contracts or arrangements or transactions including the value if any						
	Justification for entering into such contracts or arrangements or transactions						
	Date(s) of approval by the Board						
	Amount paid as advances, if any						
	Date on which the special resolution was passed in the general meeting as required under first proviso to section 188.						
2	Details of material contracts or arrangement or transactions at arm's length basis						
	Name (s) of the related party	M/S Jasmer Pack Limited	M/S Jasmer Packers	M/S Ruchira Printing & Packaging	M/S Ruchira Packaging Products P Ltd	M/S Well Pack Industries	M/S York Cellulose Private Limited
	Nature of Relationship	Enterprises of Relatives of KMP	Enterprises of Relatives of KMP	Enterprises of Relatives of KMP	Enterprises of Relatives of KMP	Enterprises of Relatives of KMP	Enterprises of Relatives of KMP
	Nature of Contracts/ arrangements/ transaction	Sale of Finished Goods and Purchase of Raw Material	Sale of Finished Goods and Purchase of Raw Material	Sale of Finished Goods and Purchase of Raw Material & Packing Material	Sale of Finished Goods and Purchase of Raw Material & Packing Material	Sale of Finished Goods and Purchase of Raw Material & Packing Material	Sale of Finished Goods and Purchase of Raw Material

Sl. No.	Particulars						
	Duration of the Contracts/ arrangements/ transactions	On Going subject to renewal as per contractual terms.	On Going subject to renewal as per contractual terms.	On Going subject to renewal as per contractual terms.	On Going subject to renewal as per contractual terms.	On Going subject to renewal as per contractual terms.	On Going subject to renewal as per contractual terms.
	Silent terms of the Contracts or arrangements or transactions including the value if any	Sale of Finished Goods up to ₹75.00 Crore per Annum. Purchase of Raw Material up to ₹7.50 Crore Per Annum	Sale of Finished Goods up to ₹20.00 Crore per Annum. Purchase of Raw Material up to ₹7.50 Crore Per Annum	Sale of Finished Goods up to ₹7.50 Crore per Annum. Purchase of Raw Material & Packing Material up to ₹5.00 Crore Per Annum	Sale of Finished Goods up to ₹30.00 Crore per Annum. Purchase of Raw Material & Packing Material up to ₹5.00 Crore Per Annum	Sale of Finished Goods up to ₹15.00 Crore per Annum. Purchase of Raw Material & Packing Material up to ₹5.00 Crore Per Annum	Sale of Finished Goods up to ₹1.00 Crore per Annum. Purchase of Raw Material up to ₹1.00 Crore Per Annum
	Date(s) of approval by the Board	12.02.2018	12.02.2018	12.02.2018	12.02.2018	12.02.2018	12.02.2018
	amount paid as Advances, if any	N.A	N.A	N.A	N.A	N.A	N.A
	Date of Shareholders Resolution Passed if any.	22.03.2018	22.03.2018	22.03.2018	22.03.2018	22.03.2018	22.03.2018
3	Details of material contracts or arrangement or transactions at arm's length basis						
	Name (s) of the related party	Jasmer Foods Private Limited	Mrs. Parveen Garg	Mr. Deepan Garg	Mr. Daljeet Singh Mandhan	Mr. Jagdeep Singh	Mr. Lucky Garg
	Nature of Relationship	Enterprises in Which KMP holding Directorship	Relative holding office or place of profit	Relative holding office or place of profit	Relative holding office or place of profit	Relative holding office or place of profit	Relative holding office or place of profit
	Nature of Contracts/ arrangements/ transaction	Sale of finished goods and Purchase of Raw material/ Fuel	Sr. Vice President- CSR	Vice President- Technical	Vice President- Commercial	Vice President- Operations	Vice President- Marketing
	Duration of the Contracts/ arrangements/ transactions	On Going subject to renewal as per contractual terms.	Remuneration Paid	Remuneration Paid	Remuneration Paid	Remuneration Paid	Remuneration Paid
	Salient terms of the Contracts or arrangements or transactions including the value if any	Sale of finished goods up to ₹1.00 Crore per annum and Purchase of Paper/Fuel up to ₹1.00 Crore per annum	Relative holding office or place of profit at a gross monthly remuneration of ₹4.60 Lakh.	Relative holding office or place of profit at a gross monthly remuneration of ₹4.60 Lakh.	Relative holding office or place of profit at a gross monthly remuneration of ₹4.60 Lakh.	Relative holding office or place of profit at a gross monthly remuneration of ₹4.60 Lakh.	Relative holding office or place of profit at a gross monthly remuneration of ₹4.60 Lakh.
	Date(s) of approval by the Board	12.02.2018	22.05.2017	22.05.2017	22.05.2017	22.05.2017	22.05.2017
	amount paid as advances, if any	N.A	N.A	N.A	N.A	N.A	N.A
	Date of Shareholders Resolution Passed if any.	22.03.2018	21.09.2017	21.09.2017	21.09.2017	21.09.2017	21.09.2017

Sl. No.	Particulars					
4	Details of material contracts or arrangement or transactions at arm's length basis					
	Name (s) of the related party	Mr. Atul Garg	Mrs. Ruchica G Kumar	Ms. Radhika Garg		
	Nature of Relationship	Relative holding office or place of profit	Relative holding office or place of profit	Relative holding office or place of profit		
	Nature of Contracts/ arrangements/ transaction	Vice President-Administration	Vice President-Marketing	Vice President-Marketing-NR		
	Duration of the Contracts/ arrangements/ transactions	Remuneration Paid	Remuneration Paid	Remuneration Paid		
	Salient terms of the Contracts or arrangements or transactions including the value if any	Relative holding office or place of profit at a gross monthly remuneration of ₹4.60 Lakh.	Relative holding office or place of profit at a gross monthly remuneration of ₹4.60 Lakh.	Relative holding office or place of profit at a gross monthly remuneration of ₹4.60 Lakh.		
	Date(s) of approval by the Board	22.05.2017	22.05.2017	22.05.2017		
	Amount paid as advances, if any	N.A	N.A	N.A		
	Date of Shareholders Resolution Passed if any.	21.09.2017	21.09.2017	21.09.2017		

## Annexure-VII to Directors' Report

Information required under Section 197 of the Companies Act, 2013 read with Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

i	Ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year	<b>S. No</b>	<b>Name of Director(s)</b>	<b>Ratio of Remuneration of Each Director to the Median Remuneration</b>	
		01.	Subhash Chander Garg	131.98	
		02.	Jatinder Singh	131.98	
		03.	Umesh Chander Garg	131.98	
		04.	Vipin Gupta	27.80	
		05.	Dalbir Singh	0.57	
		06.	Surinder Gupta	0.57	
		07.	Swantantar Kumar Dewan	0.57	
		08.	Avtar Singh	0.57	
		09.	Suhasini Yadav	0.57	
ii	Percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the Financial Year.	<b>S. No</b>	<b>Name of KMP</b>		<b>Increase (in %)</b>
		01.	Subhash Chander Garg	Whole Time Director	9.09
		02.	Jatinder Singh	Whole Time Director	9.09
		03.	Umesh Chander Garg	Managing Director	9.09
		04.	Vipin Gupta	CFO & Executive Director	16.57
		05.	Dalbir Singh	Independent Director	0
		06.	Surinder Gupta	Independent Director	0
		07.	Swantantar Kumar Dewan	Independent Director	0
		08.	Avtar Singh	Independent Director	0
		09.	Suhasini Yadav	Independent Director	0
10.	Vishav Sethi	Company Secretary	17.75		
iii	Percentage increase in the median remuneration of employees in the financial year.	10.92 %			
iv	Number of permanent employees on the rolls of the Company as on 31st March 2019.	1007 Employees			
v	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	Average increase in remuneration of Managerial Personnel- 9.32% Average Increase in remuneration of employees other than the Managerial Personnel: 10.09% The increment given is based on the potential, experience as also their performance and contribution to the Company's progress over a period of time and also benchmarked against a comparable basket of relevant companies in India.			
vi	Key Parameters for any variable component of remuneration availed by the directors	The key parameters for the variable components of remuneration to the Directors are decided by the Nomination and Remuneration Committee in accordance with the principles laid down in the Nomination and Remuneration Policy.			



vii	Affirmation that the remuneration is as per the remuneration policy of the Company.	The remuneration is as per the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees of the Company, formulated pursuant to the provisions of section 178 of the Companies Act, 2013.
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**Notes:**

- The Remuneration of Independent Directors is sitting fees paid to them for the financial year 2018-19.
- Median remuneration of the Company for all its employees is ₹174570.00 for the F.Y 2018-19.
- The median remuneration of those employees has been taken who has worked for the whole F.Y 2018-19.

### Statement containing the particulars of employees in accordance with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

- List of Top Ten Employees of the Company in terms of remuneration drawn during the F.Y 2018-19 other than Directors.

S. No	Name	Designation & Nature of Employment	Date of Commencement of Employment	Education	Age. (Yrs)	Experience (Yrs)	%age of Equity Shares	Remuneration Paid (₹) p.a.	Previous Employment & Designation	Whether Relative of Director or not.
1	Mrs. Parveen Garg	Sr. Vice President-CSR	01/04/2013	Graduation,	72	26	2.99	55,20,000	Nil	Related to Mr. Subhash Chander Garg
2	Deepan Garg	VP-Technical	01/10/2008	B.Tech	44	20	3.08	55,20,000	Nil	Related to Mr. Umesh Chander Garg
3	Lucky Garg	VP-Marketing	01/10/2008	Master of Business Administration	40	16	2.25	55,20,000	Nil	Related to Mr. Umesh Chander Garg
4	Atul Garg	VP-Administration	01/09/2012	Master of Business Administration	43	19	2.40	55,20,000	Nil	Related to Mr. Umesh Chander Garg
5	Jagdeep Singh	VP-Operations	01/10/2008	B.Tech	34	11	1.56	55,20,000	Nil	Related to Mr. Jatinder Singh
6	Daljeet Singh Mandhan	VP-Commercial	01/10/2008	Post Graduation	32	10	1.65	55,20,000	Nil	Related to Mr. Jatinder Singh
7	Mrs. Radhika Garg	VP-Marketing (NR)	01/04/2013	Beachelor in Law, Post Graduation	38	13	3.03	55,20,000	Nil	Related to Mr. Subhash Chander Garg
8	Mrs. Ruchica G Kumar	VP-Marketing	01/07/2016	Post Graduation	48	19	2.86	55,20,000	G. M (Global electronics (P) Limited)	Related to Mr. Subhash Chander Garg
9	Ajay Mahajan	Head-Project	22/01/2018	B.Tech	47	25	0.00	44,02,200	GM-Project-Bilt- Balharshas (Pune)	Nil
10	Sethu Raman Balu	Sr. General Manager	06/02/2014	NCTVT	59	39	0.00	38,15,700	Head-Operations Dhanlaxmi Paper Mills Private Limited	Nil

- List of Employees of the Company (other than directors) employed throughout the FY 2018-19 and were paid remuneration not less than Rupees One Crore and Two Lakhs per annum: Nil
- Employees employed for the part of the year (other than Directors) and were paid remuneration during the F.Y 2018-19 at a rate which in aggregate was not less than ₹8.50 Lakhs Per Month: Nil
- None of the employee was in receipt of remuneration in excess of that drawn by the Managing Director.

# Report on Corporate Governance

## COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

Corporate Governance is essentially a system by which Companies are governed and controlled by the management under the direction and supervision of the Board in the best interest of all stakeholders. It is not mere compliance of laws, rules and regulations, but also the application of best management practices and adherence to the highest ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility. Above all, it is a way of life, rather than merely a legal compulsion.

Your Company's philosophy on the Code of Governance is based on the belief that effective Corporate Governance practices constitute a strong foundation on which successful commercial enterprises are built to last. Good Corporate Governance is indispensable to resilient and vibrant capital markets and is, therefore, an important instrument of investor protection. Your Company lays great emphasis on a corporate culture of conscience, integrity, fairness, transparency, accountability and responsibility for efficient and ethical conduct of its business.

The Company has adopted a Code of Conduct for its employees including the Managing Director and Whole Time Directors. The Board of Directors is at the core of our Corporate Governance practice and oversees how the management serves and protects long-term interest of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of corporate governance. It is well recognized that an effective Board is a pre-requisite for strong and effective corporate governance. Our Board exercises its fiduciary responsibilities in widest sense of the term.

Your Company is in compliance with the requirements of Corporate Governance stipulated in the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

## 1. BOARD OF DIRECTORS

In terms of 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. Size & Composition of Board of Directors:

The Board has an optimum combination of Executive and Non-Executive Directors. More than 50% of the Directors are Non-Executive Independent Directors. The Company has Three Whole Time Executive Directors and one Managing Director to look after finance, projects, commercial, technical and personnel affairs of the Company. The total number of Directors of the Company is 9(Nine) as on 31st March, 2019 consisting of 4 Executive Directors and 5 Independent Directors. None of the Independent Directors is responsible for the day to day affairs of the Company. The Board periodically evaluates need for change in its composition and size. Profile of the Directors is available on the Company's website <http://www.ruchirapapers.com/investors.html>.

None of the Directors hold office in more than 20 companies and in more than 10 public companies as prescribed under Section 165(1) of the Act. No Director holds Directorships in any other listed companies. Further, none of the Independent Directors ('ID') served as ID in more than 7 listed companies. The Managing Director did not serve as an Independent Director in any listed company.

None of the Directors on the Board is Member of more than ten committees or Chairman of more than five Committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on 31st March 2019 have been made by the Directors.

The Composition of the Board is in conformity with Regulation 17 of the Listing Regulations as well as the Companies Act, 2013.

Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as provided under law.

**Evaluation of Board Effectiveness:** In terms of applicable provisions of the Companies Act, 2013 read with Rules framed there under and provisions of Listing Regulations and on the recommendation of Nomination and Remuneration Committee, the Board of Directors has put in place a process to formally evaluate the effectiveness

of the Board, its Committees along with performance evaluation of each Director carried out on an annual basis. Accordingly, the annual performance of the Board, its committees and each Director was carried out for the Financial Year 2018-19.

Criteria for evaluation of individual Directors include aspects such as professional qualifications, prior experience, especially experience relevant to the Company, knowledge and competency, fulfillment of functions, ability to function as a team, initiative, availability and attendance, commitment, contribution, integrity, independence and guidance/ support to management outside Board/ Committee Meetings. In addition, the Chairman is also evaluated on key aspects of his role, including effectiveness of leadership and ability to steer meetings, impartiality, ability to keep shareholders' interests in mind and effectiveness as Chairman.

Criteria for evaluation of the Committees of the Board include mandate and composition; effectiveness of the Committee; structure of the Committee; regularity and frequency of meetings, agenda, discussion and dissent, recording of minutes and dissemination of information; independence of the Committee from the Board; contribution to decisions of the Board; effectiveness of meetings and quality of relationship of the Committee with the Board and management.

**Familiarization programmes for Board Members:** The Board members are provided with necessary documents/ brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The details of such familiarization programmes for Independent Directors are posted on the website of the Company and can be accessed at <http://www.ruchirapapers.com/investors.html>.

**Meetings of Independent Directors:** One meeting of Independent Directors was held during the year on 19th March 2019. All the Independent Directors were present at the meeting.

#### Skills, Expertise and Competencies of the Board:

Pursuant to provisions in sub-para 2(h) of Part C of Schedule V of the Listing Regulations, given below is the list of core skills, expertise/competencies that the Company's Board has identified as particularly valuable to the effective oversight and functioning of the Company:

- Leadership Experience & Business Dynamics: Leadership experience in managing companies,

understanding of business dynamics, across various markets, industry experience including its entire value chain and regulatory jurisdictions.

- Strategy and Planning: Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments. Experience in Human Resources and Communication.
- Corporate Governance: Experience in developing good governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

**Confirmation as regards independence of Independent Directors:** In the opinion of the Board of Directors of the Company, the existing Independent Directors fulfills the conditions specified in the SEBI Listing Regulations and are Independent of the Management.

Reasons for resignation of Independent Director before the expiry of term, if any: Not Applicable

#### b. Board Meetings:

The Board meets at regular intervals to discuss and decide on business strategies/policies and review financial performance of the Company.

The notice of each Board Meeting is given in writing to every Director. The Agenda along with relevant notes and other material information are sent in advance separately to each Director. This ensures timely and informed decisions by the Board. The Minutes of Board Meetings are also circulated well in time to all Directors and confirmed at subsequent Meeting. The Board reviews the performance of the Company vis-à-vis budgets/targets.

Four Board Meetings were held during the year on the dates specified below and gap of two Board Meetings did not exceed 120 days.

Date of Board Meeting	Board Strength	No. of Directors Present
18th May 2018	09(Nine)	09(Nine)
31st July 2018	09(Nine)	09(Nine)
26th October 2018	09(Nine)	09(Nine)
13th February 2019	09(Nine)	09(Nine)

c. 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#	Attendance in Board meetings during the F.Y 2018-19		Attendance at Last AGM	No. of Directorship held in Public Ltd Companies (Including this Company)*	Membership Of Committee (Including this Company)**	Relationship Inter-se Directors
		Held	Attended				
Jatinder Singh DIN 01594919	Chairman & Whole Time Director Executive & Promoter	4	4	Yes	1	2	-
Subhash Chander Garg DIN 01593104	Co-Chairman & Whole Time Director Executive & Promoter	4	4	No	1	1	Related to Umesh Chander Garg
Umesh Chander Garg DIN 01593400	Managing Director Executive & Promoter	4	4	Yes	1	Nil	Related to Subhash Chander Garg
Vipin Gupta DIN 05107366	CFO & Executive Director Executive & Professional	4	4	Yes	1	Nil	-
Dalbir Singh DIN 01538540	Non- Executive Independent	4	4	Yes	1	1	-
Surinder Kumar Gupta DIN 01108489	Non- Executive Independent	4	4	Yes	1	1	-
Avtar Singh DIN 01605978	Non- Executive Independent	4	4	Yes	1	1	-
S. K. Dewan DIN 00427404	Non- Executive Independent	4	4	Yes	3	1	-
Suhasini Yadav DIN 06925910	Non- Executive Independent	4	4	Yes	1	Nil	-

#as at 31st March 2019.

\* Excludes directorship in Private Companies, Foreign Companies, Dormant Companies, Companies Incorporated under Section 8 of the Companies Act, 2013 and Alternate Directorship.

\*\* For the purpose of considering the limit of Committee Memberships and Chairmanships of a Director, Audit Committee and Stakeholders Relationship Committee of Public Companies have been considered.

## 2. COMMITTEES OF THE BOARD

### A. AUDIT COMMITTEE:

The Committee's composition meets with requirements of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. Members of the Audit Committee possess financial/accounting expertise/exposure. The Primary objective of Committee is to monitor and provide effective supervision of Management's financial reporting process to ensure accurate and timely disclosures, with

highest level of transparency, integrity and quality of financial reporting. All possible measures have been taken by Committee to ensure the independence and objectivity of the independent auditors. The Audit Committee invites such of the executives, as it considers appropriate, representatives of Statutory Auditors and representatives of the Internal Auditors to be present at its meetings. The Company Secretary acts as the secretary to the Audit Committee. The composition of the Audit Committee as on 31st March, 2019 is as follows:

Sr. No.	Names of Members	Designation	Category of Director	Audit Committee Meetings	
				Held	Attended
1	Dalbir Singh	Chairman	Independent, Non- Executive	4	4
2	Surinder Kumar Gupta	Member	Independent, Non- Executive	4	4
3	Avtar Singh	Member	Independent, Non- Executive	4	4
4	Jatinder Singh	Member	Non-Independent, Executive	4	4

Keeping in view the provisions of section 177 of the Companies Act, 2013 and matters specified under Regulation 18 of the Listing Regulations, terms of reference, inter alia, includes the following:

- To recommend the appointment of the statutory auditors, internal auditors and cost auditors and to review their performance.
- 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 with the management the annual/half-yearly/quarterly financial statement.
- To review the transactions entered with related parties.
- Perform other activities consistent with the Company's Memorandum and Articles, the Companies Act, 2013 and other Governing Laws and referred by the Board of Directors.
- Generally, all items listed in Part C of Schedule II to the Listing Regulations and in Section 177 of the Act and any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee met four times during the year on 18.05.2018, 31.07.2018, 26.10.2018 and 13.02.2019. The Chairman of the Audit Committee was present at the previous AGM held on 28th September 2018. The Audit Committee has been given the powers prescribed under Regulation 18(2)(c) of the Listing Regulations.

### B. NOMINATION & REMUNERATION COMMITTEE:

The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 & Regulation 19 of the Listing Regulations.

Terms of reference inter alia includes the following:

- To nominate the appointment of director, recommend/ review the remuneration package of Executive Directors and their relatives based on performance and keeping in view applicable provisions of the Companies Act, 2013.
- To formulate the criteria for evaluation of Independent Directors and the Board.
- To devise a policy on Board diversity.
- To perform such other functions as may be necessary or appropriate for the performance of its duties that the Board may decide from time to time.

#### The Composition of committee is as follows:

Sr. No.	Names of Members	Designation	Category	Meetings	
				Held	Attended
1	Dalbir Singh	Chairman	Independent, Non-Executive	02	02
2	Surinder Kumar Gupta	Member	Independent, Non-Executive	02	02
3	Avtar Singh	Member	Independent, Non-Executive	02	02

The Nomination & Remuneration Committee met on 18th May 2018 and 13th February 2019. The Chairman of the Nomination and Remuneration Committee was present at the previous AGM held on 28th September 2018.

Remuneration Policy: The Nomination and Remuneration Committee has adopted a charter which, inter alia, deals with the manner of selection of Board of Directors and their remuneration. The detailed policy in this regard can be accessed at <http://www.ruchirapapers.com/investors.html>.

#### Non-Executive/Independent Directors' remuneration:

The Non-Executive Directors were paid sitting fees for each meeting of the Board of Directors attended by them of such sum as approved by the Board of Directors with in the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. As at 31st March 2019 the Company was paying sitting fees of ₹20,000/- per meeting to Non-Executive Directors. Other than sitting

fees, no other remuneration has paid to Non-Executive Directors for the year 2018-19. The Non-Executive Independent Director's do not have any material pecuniary relationship or transaction with the Company.

#### Executive Directors' Remuneration:

The appointment and payment of remuneration to Executive Directors including Managing and Whole Time Directors is governed by recommendation of Nomination & Remuneration Committee. The remuneration policy is directed towards rewarding performance, based on review of achievements. It is aimed at attracting and retaining high caliber talent. All the components of remuneration of directors are fixed, there is no variable component i.e performance linked incentives etc.

Presently Company does not have a scheme for grant of stock options or performance linked incentives for its directors.

#### The details of Remuneration of directors for the financial year ended 31st March, 2019 are as follows:

Name	Category of Directors (As at 31st March 2019)	Salary including allowances (₹)	Sitting fees (₹)	Total (₹)
Jatinder Singh	Chairman & Whole Time Director Executive & Promoter	23040000	-	23040000
Subhash Chander Garg	Co-Chairman & Whole Time Director Executive & Promoter	23040000	-	23040000
Umesh Chander Garg	Managing Director Executive & Promoter	23040000	-	23040000
Vipin Gupta	CFO & Executive Director Executive & Professional	4853000	-	4853000
Dalbir Singh	Non-Executive Independent	-	100000	100000
Surinder Kumar Gupta	Non-Executive Independent	-	100000	100000
Avtar Singh	Non-Executive Independent	-	100000	100000
S.K.Dewan	Non-Executive Independent	-	100000	100000
Suhasini Yadav	Non-Executive Independent	-	100000	100000

#### Review of Performance and Compensation to Senior Management:

The Nomination and Remuneration Committee reviews the performance of the senior management of the Company. The Committee ensures that the remuneration to the Key Managerial Personnel and Senior Management involves balanced fixed pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

Annual Report, dividends and approves transmission, issue of duplicate shares and other related matters.

The Secretarial Department of the Company and Registrar & Share Transfer Agent i.e Link Intime India Private Limited attends all grievances of the shareholders directly or through SEBI (SCORE), Stock Exchange etc. Further continuous efforts are made to ensure that grievances are expeditiously redressed to the complete satisfaction of the investors.

#### C. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Committee oversees redressal of shareholders and investors grievances, like transfer of shares, non-receipt of

The Committee's constitution and terms of reference are in compliance with provisions of Section 178 of the Companies Act, 2013 & Regulation 20 of the Listing Regulations.

**The Composition of committee is as follows:**

Sr. No.	Names of Members	Designation	Category	Meetings	
				Held	Attended
1	S.K. Dewan	Chairman	Independent, Non-Executive	04	04
2	Jatinder Singh	Member	Non-Independent, Executive	04	04
3	Subhash Chander Garg	Member	Non-Independent, Executive	04	04

The Company Secretary acts as the Secretary and Compliance Officer of the Committee.

The Committee met four times during the year on 18.05.2018, 31.07.2018, 26.10.2018 and 13.02.2019. Number of Complaints received and resolved during the year: 16 (Sixteen).

There was no complaint pending at beginning and at close of the year.

**D. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

The Committee's prime responsibility is to assist the Board in discharging its social responsibilities by way of formulating and monitoring and implementation of "Corporate Social Responsibility Policy". The other responsibilities include the recommendation of amount of expenditure to be incurred on CSR activities, monitoring the implementation of framework of the CSR policy and other like matters.

**Terms of Reference of the Committee, inter alia, includes the following:**

- To formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy indicating activities to be undertaken by the Company in compliance with the provisions of the Companies, Act, 2013 and rules made there under.
- To recommend the amount of expenditure to be incurred on the CSR activities.
- To monitor the implementation of the CSR policy of the Company from time to time.
- To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable or as may be necessary or appropriate for performance of its duties.

**The Composition of committee is as follows:**

Sr. No.	Names of Members	Designation	Category	Meetings	
				Held	Attended
1	Surinder Kumar Gupta	Chairman	Independent, Non-Executive	04	04
2	Jatinder Singh	Member	Non-Independent, Executive	04	04
3	Subhash Chander Garg	Member	Non-Independent, Executive	04	04
4.	Umesh Chander Garg	Member	Non-Independent, Executive	04	04
5.	Vipin Gupta	Member	Non-Independent, Executive	04	04

The Committee met four times during the year on 18.05.2018, 31.07.2018, 26.10.2018, and 13.02.2019. The details of the CSR initiatives of the Company forms part of the CSR section in the Annual Report.

**E. ALLOTMENT COMMITTEE**

The Allotment Committee has been constituted to specifically look into the allotment of Securities as and when required with in the limits approved by the Shareholders etc. The Composition of the Allotment Committee is as follows:

Sr. No.	Names of Members	Designation	Category	Meetings	
				Held	Attended
1	Avtar Singh	Chairman	Independent Non-Executive	01	01
2	Jatinder Singh	Member	Non-Independent Executive	01	01
3	Vipin Gupta	Member	Non-Independent Executive	01	01
4	Suhasini Yadav	Member	Independent Non-Executive	01	01

The Company Secretary acts as the Secretary of the Committee. The Committee met once during the year on 19.11.2018.



## F. PROJECT COMMITTEE

The Project Committee has been constituted specifically to look into the project related activities for the proposed Green Field Project at Chamkaur Sahib, Punjab.

The composition of committee is as follows:

Sr. No.	Names of Members	Designation	Category	Meetings	
				Held	Attended
1	Umesh Chander Garg	Chairman	Non-Independent, Executive	3	3
2	Jatinder Singh	Member	Non-Independent, Executive	3	3
3	Deepan Garg	Member	Vice President-Technical	3	3
4	Jagdeep Singh	Member	Vice President- Operations	3	3

The Committee met three times during the year on 18.05.2018, 31.07.2018 and 26.10.2018. The Company Secretary acts as the Secretary of the Committee.

## 3. GENERAL BODY MEETINGS:

Details of last three Annual General Meetings of the Company are given hereunder:

Year	Date	Time	Venue	No. of Special Resolution(s) set out at the AGM
2016	30.09.2016	11.15 A.M	Hotel Black Mango, Nahan Road, Kala-Amb, Distt. Sirmour. (H.P.)-173030	01
2017	21.09.2017	11.15 A.M	Hotel Black Mango, Nahan Road, Kala-Amb, Distt. Sirmour. (H.P.)-173030	04
2018	28.09.2018	11.15 AM	Hotel Black Mango, Nahan Road, Kala-Amb, Distt. Sirmour. (H.P.)-173030	02

No Extraordinary General Meeting of the Members was held during the year 2018-19.

No Special Resolution is proposed to be passed through Postal Ballot at the ensuing Annual General Meeting. Details of resolutions passed by way of postal ballot during the year 2018-19 along with voting pattern are as follow:

S. No	Particular	Date of Passing Resolution	Number of Valid Votes polled	Votes cast in favour of the resolution	Votes cast against the resolution
01.	Special Resolution for continuation of Mr. Dalbir Singh as Independent Director	25.03.2019	15855569	15855277 (99.99%)	292 (0.00%)
02.	Special resolution for continuation of Mr. Avtar Singh as Independent Director	25.03.2019	15855569	15855298 (99.99%)	271 (0.00%)

The Board had appointed Mr. Sanjay Kumar Garg, Practicing Cost Accountant as Scrutinizer to conduct the Postal Ballot process in a transparent manner.

## 4. MEANS OF COMMUNICATION:

- The quarterly and the half yearly results, published in the format prescribed by the Listing Regulations read with the Circular issued there under, are approved and taken on record by the Board of Directors of the Company within 45 days of the close of the relevant quarter. The approved results are forthwith uploaded on the designated portals of the Stock Exchanges where the Company's shares are listed, viz. NSE Electronic Application Processing System (NEAPS) of the National Stock Exchange of India Ltd. (NSE) and BSE Online Portal of BSE Ltd. (BSE). The results are also published within 48 hours in Economic Times/ Financial Express (English) and Jansatta(Hindi) and also displayed on the Company's website, www.ruchirapapers.com.
- The Company publishes the audited annual results within the stipulated period of sixty days from the close of the financial year as required by the Listing Regulations. The annual audited results are also uploaded on NEAPS and Listing Centre, Online Portal of NSE and BSE respectively, published in the newspapers and displayed on the Company's website.



- iii) Official news releases and presentations made to institutional investors and analysts are uploaded on NEAPS and Listing Centre, Online Portal of NSE and BSE respectively and posted on the Company's website.
- iv) The "Investor" and "Financial" section of the website of the Company gives information relating to financial results, annual reports, shareholding pattern and presentations made to analysts and at Annual General Meetings.
- v) The quarterly Shareholding Pattern and Corporate Governance Report of the Company are filed with NSE through NEAPS and with BSE through BSE Online Portal. The Shareholding Pattern is also displayed on the Company's website under the "Investor" section.
- vi) Material events or information, as detailed in Regulation 30 of the Listing Regulations, are disclosed to the Stock Exchanges by filing them with NSE through NEAPS and with BSE through BSE Online Portal.
- vii) The Company sends reminder to shareholders who have not claimed their dividends. Circulars are also sent periodically to shareholders urging them to opt for the electronic mode for receiving dividends.

## 5. GENERAL SHAREHOLDERS INFORMATION

### A. General Shareholder Information:

Annual General Meeting (Date, time and venue)	Wednesday, 25th September 2019, at 11.15 A.M. at Hotel Black Mango, Nahan Road, Kala Amb, Distt. Sirmaur (H.P.)-173030.			
Financial Year	01st April to 31st March.			
Dividend Payment Date	The dividend, if declared shall be paid/credited on or after Friday, 04th October 2019.			
Book Closure date	19th September 2019 to 25th September 2019 (Both days inclusive)			
Details of the Dividend Declared and Paid by the Company for the Last Five Years.	Year(s)	Percentage (%)	In ₹ Per Share (FV-₹10)	Dividend Amount (₹ In Crores)
	2013-14	12%	1.20	2.69
	2014-15	13%	1.30	2.91
	2015-16	15%	1.50	3.36
	2016-17	22.5%	2.25	5.04
	2017-18	22.5%	2.25	5.04
Listing on Stock Exchanges	The Company's Equity Shares are currently listed with the BSE Limited and the National Stock Exchange of India Limited under Stock Codes "532785" and "RUCHIRA" respectively. The Company has paid the requisite fees to stock exchanges for the financial year 2018-19.			
ISIN Number for NSDL and CDSL	Equity: INE803H01014			
Corporate Identification Number	L21012HP1980PLC004336			
Registrar & Share Transfer Agents	Link Intime India Pvt Limited. Mumbai Office: C-13, Pannalal Silk Mills compound, LBS Road, Bhandup (W) Mumbai-440078. Tel: 022-25963838, Email:mumbai@linktime.co.in Delhi Office: Noble Height 1st Floor, Plot No. NH-2, C-1 Block, LSC Near Savitri Market, Janakpuri, New Delhi-110058. Email: delhi@linkintime.co.in			
Share Transfer System	99.99% of the equity shares of the Company are in electronic form. Transfer of these shares are done through the depositories with no involvement of the Company. As regards transfer of shares held in physical form, the transfer documents can be lodged with 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 14 days from the receipt, if the documents are clear in all respects.			

National Electronic Clearing System (NECS) for dividend.	<p>The remittance of dividend through Electronic Clearing System has been moved to National Electronic Clearing System (NECS) platform through core banking system effective 1st October, 2009. Accordingly, dividend will be credited to the shareholders' bank account through NECS where complete core banking details are available with the Company. In the event any branch of a bank has not migrated to core banking system, or where core banking account is not furnished by the shareholder to the Depository/ Company as the case may be, your Company will print details available in its records on the dividend warrants to be issued to the shareholders.</p> <p><b>(a) For shares held in physical form:</b></p> <p>Investors who would like to avail NECS facility and are holding shares in physical form may send in their NECS Mandate Form, duly filled in to the M/s. Link Intime India Private Limited. The NECS Mandate instruction should be under the signature of the shareholder(s) as per the specimen signature lodged with your Company.</p> <p><b>(b) For shares in electronic/ dematerialized form:</b></p> <p>Investors holding shares in dematerialized or electronic form may check the details on record with the concerned Depository Participant (DP). Pursuant to the Depository Regulations, your Company is obliged to pay dividend on dematerialized shares as per the details furnished by the concerned DP. The Company or the Registrar &amp; Transfer Agent cannot make any change in such records received from the Depository.</p>
Address for Correspondence	<p>Ruchira Papers Limited, Trilokpur Road, Kala Amb, Distt. Sirmour (Himachal Pradesh) -173030. Tel.No: 08053800897 Email:info@ruchirapapers.com, cs@ruchirapapers.com, investor@ruchirapapers.com</p>
Plant Location	Trilokpur Road, Kala Amb, Distt. Sirmour (Himachal Pradesh) -173030

#### B. Market Price Data: Monthly High/low during each month of 2018-19 on both Stock exchanges, Mumbai.

Months	Share prices of the Company for the period 2018-19			
	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2018	178.00	159.00	177.00	158.55
May 2018	171.00	130.30	171.85	130.00
June 2018	132.20	101.05	132.00	104.20
July 2018	126.00	105.75	126.95	105.45
August 2018	154.15	118.50	153.90	119.50
September 2018	173.10	118.65	169.95	120.10
October 2018	142.50	119.00	142.00	119.15
November 2018	153.95	133.25	153.50	131.65
December 2018	144.85	132.80	145.50	132.60
January 2019	137.90	101.10	137.30	101.10
February 2019	117.15	84.00	115.70	83.60
March 2019	118.40	94.95	118.85	95.30

#### C. Share Price Performance in comparison to broad based indices- BSE Sensex and NSE Nifty as on 31st March, 2019.

Months	BSE (% Change)		NSE (% Change)	
	Ruchira	Sensex	Ruchira	Nifty
FY 2018-19	(36.34%)	17.08%	(36.36%)	14.51%

## D. Distribution of equity shareholding as on 31st March, 2019.

Shareholding of Shares	Shareholders		Shares	
	Number	% of Total Shareholders	No. of Shares	% of Total Shares
Up to 500	15949	85.98	2010041	8.29
501 - 1000	1293	6.97	1032544	4.26
1001 - 2000	661	3.56	984114	4.06
2001 - 3000	220	1.19	567063	2.34
3001 - 4000	80	0.43	285189	1.18
4001 - 5000	90	0.48	420663	1.73
5001 - 10000	129	0.70	940837	3.88
10001 & Above	128	0.69	18011353	74.26
TOTAL	18550	100.00	24251804	100.00

## E. Categories of equity shareholders as on 31st March, 2019

Categories	Number of Shares	%
Promoter and Promoter Group	15538278	64.07
Director and Director's Relative	22742	0.09
Independent Directors	500	0.00
Financial Institutions/Banks	23584	0.10
Foreign Portfolio Investors	140158	0.58
Bodies Corporate	594808	2.45
Non Resident Indians	432142	1.78
Clearing Members	100731	0.42
Indian Public	7056368	29.10
HUF	312425	1.29
NBFC	30068	0.12
TOTAL	24251804	100.00

## F. Top Ten Equity Shareholders of the Company as on 31st March 2019:

Sr. No.	Name of the Shareholder	Number of Equity Shares held	Percentage of holding
01.	Jatinder Singh	2444090	10.08
02.	Umesh Chander Garg	1470455	6.06
03.	Charanjeet Kaur	1273534	5.25
04.	Subhash Chander Garg	936170	3.86
05.	Umesh Chander Garg (HUF)	919669	3.79
06.	Shashi Garg	870109	3.59
07.	Deepan Garg	745959	3.08
08.	Radhika Garg	734841	3.03
09.	Parveen Garg	724505	2.99
10.	Subhash Chander Garg (HUF)	698625	2.88

## G. Shares held by Independent Directors as on 31st March, 2019.

S. No	Name	No. of Shares
1.	Dalbir Singh	100
2.	Surinder Kumar Gupta	100
3.	Avtar Singh	100
4.	S.K.Dewan	100
5.	Mrs. Suhasini Yadav	100

## H. Dematerialization of Shares:

The shares of the Company can be held in dematerialized form with NSDL and CDSL. As on 31st March, 2019, a total of 24251642 Equity shares of the Company which form 99.99 % 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. The Company's equity shares are regularly traded on NSE and BSE, in dematerialized form.

## I. Outstanding GDRs / ADRs / Warrants / Convertible Instruments and their impact on Equity:

The Company does not have any outstanding GDRs/ADRs/Warrants/Convertible Instruments as on 31st March 2019. During the year, the Allotment Committee of the Board of Directors of the Company at its meeting held on 19th November 2018 has made allotment of 18,30,000 Equity Shares of the face value of ₹10/- each at a premium of ₹130.50/- per share to promoter/promoter group consequent upon exercise of their rights for conversion of warrants into equity shares. Upon allotment of these equity shares, the paid up equity capital of the Company has increased from ₹22,42,18,040/- comprising of 22421804 equity shares of the face value of ₹10/- each to ₹24,25,18,040/- comprising 24251804 equity shares of the face value of ₹10/- each.

## J. Commodity price risk or foreign exchange risk and hedging activities:

The Company does not have any exposure to commodity price risk. The Company manages commodity and foreign exchange risk as per its policies.

## K. Credit Rating:

During the year, Credit Rating of the Company has been kept at CARE BBB+ Stable (under credit watch with developing implications).

## 6. DISCLOSURES:

### A. Related Party Transactions

All Related Party Transactions that were entered into during the year were on an arm's length basis and were in compliance with applicable provisions of the Act and the Listing Regulations. The Board of Directors at their meeting held on 12.02.2018, pursuant to recommendation of Audit Committee, accorded its approval for maximum aggregate value of material related party transactions by entering into fresh agreement with related parties. The same was further approved by Shareholders' of the Company through Postal Ballot on dated 22.03.2018. The approval was granted with the condition that transaction(s) shall be done at arm's length basis.

A statement of all Related Party Transactions is placed before the Audit Committee for its review on quarterly basis, specifying the nature, value and terms and conditions of the transactions. The particulars of every contract and arrangement entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are disclosed in Form No. AOC-2 in Annexure VI of Directors' Report and were at arm's length price.

The Policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the Link: <http://www.ruchirapapers.com/investors.html>.

### B. Whistle blower policy/vigil mechanism:

The Company has a Vigil Mechanism and Whistle Blower Policy under which the employees are free to report violations of applicable laws and regulations and the code of conduct. The reportable matters may be disclosed to the Vigilance officer which operates under the supervision of the Audit Committee. Employees may also report to the Chairman of the Audit Committee. During the year under review, no employee was denied access to the Audit Committee.

### C. Management Discussion and Analysis:

A detailed report on the Management's discussion and analysis is provided in the Management's Discussion and Analysis section of the Annual Report.

### D. Disclosure regarding appointment or re-appointment of directors:

Mr. Vipin Gupta, retiring by rotation and being eligible, offered himself for re-appointment at the ensuing Annual General Meeting. Mr. Dalbir Singh, Mr. Avtar Singh, Mr. Swatantar Kumar Dewan, Mr. Surinder Kumar Gupta and Mrs. Suhasini Yadav were appointed as an Independent Directors of the Company by the members at the 34th Annual General Meeting of the Company held on 25th September 2014 for a period of five consecutive years commencing from 25th September 2014 up to 24th September 2019. As per Section 149(10) of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of up to five consecutive years on the Board of a Company. Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board

of Directors of the Company at its meeting held on 12th August 2019 recommended for approval of the members, the re-appointment of above Independent Directors for second term of five consecutive years commencing from 25th September 2019 to 24th September 2024. The above Independent Directors are eligible for re-appointment as an Independent Director and have offered themselves for re-appointment.

#### E. Other Disclosures:

There was no non-compliance during last three years by the Company on any matter relating to the Capital Market and any requirement of Corporate Governance Report. There were no penalties, strictures passed by stock exchanges/ SEBI or any statutory authority.

There is no pecuniary or business relationship between the Independent Directors and the Company, except for the sitting fees payable to them for attending the Board Meeting(s). A declaration to this effect is also submitted by all the Independent Directors at the beginning of each financial year.

The Managing Director and the Chief Financial Officer have certified to the Board in accordance with Regulation 17(8) read with Part B of Schedule II to the Listing Regulations pertaining to CEO/ CFO certification for the Financial Year ended 31st March, 2019.

The Company does not have any non-listed Subsidiary Companies in terms of Regulation 16 of the Listing Regulations. Compliance status with mandatory and non mandatory requirements pursuant to the provisions of Listing Regulations:-

**Mandatory Requirements:** The Company has complied with all the mandatory requirements pursuant to the provisions of Listing Regulations.

#### Non-Mandatory Requirements adopted by the Company:

- Mr. Jatinder Singh an Executive Director, was Chairman of the Company as at 31st March 2019 and more than 50% of the Board comprises of Non-Executive and Independent directors.
- Presently, half yearly financial performance is not being sent to any shareholder.
- The Company is having separate posts of Chairperson and Managing Director
- The Internal Auditor directly reports to the Audit Committee.
- The financial statements of the Company are with unmodified audit opinion.

#### F. Details of utilization of funds raised through preferential allotment or qualified institutions placement:

During the year under review, the Company has allotted 18,30,000 Equity Shares of the face value of ₹10/- each at a premium of ₹130.50/- per share to promoter/promoter group consequent upon exercise of their rights for conversion of warrants into equity shares. Upon allotment of these equity shares, the paid up equity capital of the Company has increased from ₹22,42,18,040/- comprising of 22421804 equity shares of the face value of ₹10/- each to ₹24,25,18,040/- comprising 24251804 equity shares of the face value of ₹10/- each. The funds received above were utilized for the purpose for which these were raised.

**G.** Mr. Rajinder Kumar Bhalla of M/S R.K. Bhalla & Associates, Practicing Company Secretary has issued a certificate confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by SEBI/Ministry of Corporate Affairs or any such statutory authority.

#### H. Confirmation by the Board of Directors acceptance of recommendation of mandatory committees:

In terms of the amended SEBI Listing Regulations, the Board of Directors of the Company confirms that during the year under review, it has accepted all recommendations received from its mandatory committees.

#### I. Details of total fees paid to the Statutory of the Company:

The details of the total fees paid to Statutory Auditors of the Company during the Financial Year ended 31st March 2019 is ₹2,63,742/- (Including ₹23,742/- paid as reimbursement of expenses)

#### J. Disclosure under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

Number of complaints filed during the Financial Year 2018-19	Nil
Number of complaints disposed of during the Financial Year 2018-19	Nil
Number of complaints pending as on end of the Financial Year 2018-19	Nil

#### K. Details of non-compliance with requirements of corporate governance:

The Company has complied with all the requirements of the corporate governance report as specified in Sub-Para (2) to (10) of Part C of Schedule V of the Listing Regulations.

#### L. Details of compliance with corporate governance requirements:

The Company has complied with the applicable corporate governance requirements as stipulated in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 of the Listing Regulations.

#### M. Reconciliation of Share Capital:

As stipulated by SEBI, a qualified Practicing Company Secretary carries out the Reconciliation of Share Capital 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.

#### N. Dividend Policy:

Dividends, other than interim dividend(s), are to be declared at the Annual General Meetings of shareholders based on the recommendation of the Board of Directors. Generally, the factors that may be considered by the Board of Directors before making any recommendations for dividend includes, without limitation, the Company's future expansion plans and capital requirements, profits earned during the fiscal year, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions. The Board of Directors may also pay interim dividend(s) to shareholders.

#### O. Company's Policy on Prohibition of Insider Trading:

The Company has also formulated a Policy for prohibition of Insider Trading to deter the insider trading in the securities of the Company based on the unpublished price sensitive information. The policy envisages procedures to be followed and disclosures to be made while dealing in the securities of the Company. The full text of the policy is available on the website of the Company <http://www.ruchirapapers.com/investors.html>.

#### P. Equity shares in the suspense account:

Particulars	Number of Shareholders	Number of Equity Shares
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on April 1st, 2018	02	615
Shareholders who approached the Company for transfer of shares from suspense account during the year	Nil	Nil
Shareholders to whom shares were transferred from the suspense account during the year	Nil	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying as on March 31st, 2019	02	615

The voting rights on the shares outstanding in the suspense account as on 31st March 2019 shall remain frozen till the rightful owner of such shares claims the shares.

**Q. Transfer of unclaimed/unpaid amounts to the Investor Education and Protection Fund (IEPF):**

Pursuant to Section 124 and other applicable provisions, if any, of the Companies Act, 2013, all unclaimed/unpaid dividend, application money, debenture interest and interest on deposits as well as the principal amount

of debentures and deposits, as applicable, remaining unclaimed/unpaid for a period of seven years from the date they became due for payment, in relation to the Company shall be transferred to the Investor Education and Protection Fund.

During the Year, the Company was not required to transfer any amount to the Investor Education and Protection Fund.

The following table contains the information relating to outstanding dividend account as on 31st March 2019 and the proposed dates of transfer the same to IEPF.

Financial Year	Dividend Per Share	Date of Declaration	Proposed date of transfer to IEPF
2012-13	₹1.00	March 22, 2013	April 28, 2020
2013-14	₹1.20	September 25, 2014	October 31, 2021
2014-15	₹1.30	September 25, 2015	October 31, 2022
2015-16	₹1.50	September 30, 2016	November 06, 2023
2016-17	₹2.25	September 21, 2017	October 28, 2024
2017-18	₹2.25	September 28, 2018	November 03, 2025

## Declaration of Compliance with the Code of Conduct.

I hereby confirm that:

The Company has obtained affirmation(s) from all the members of the Board and Senior Management Personnel, that they have complied with Code of Conduct for Board Members and Senior Management Personnel in respect of the Financial Year ended 31st March 2019.

Place: Kala Amb  
Date: 27th May 2019

Umesh Chander Garg  
Managing Director



# Auditor's Certificate on Corporate Governance

To,  
The Members  
Ruchira Papers Limited

We, Subhash Sajal & Associates, Chartered Accountants, the Statutory Auditors of the Company have examined the compliance of conditions of Corporate Governance by the Company, for the year ended 31st March 2019, as stipulated in Regulation 17 to 27 and Clause (b) to (i) of Regulation 46(2) and para C and D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in Listing Regulations.

Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with the Corporate Governance requirements by the Company.

We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the standard on auditing specified under section 143(10) of the Company Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standards on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and other Assurance and Related Services Engagements.

Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and Clauses (b) to (i) of Regulation 46(2) and Para C and D of Schedule V of the Listing Regulations during the year ended March 31, 2019.

We state that 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 Subhash Sajal & Associates  
Chartered Accountants  
Registration No.018178N

Subhash Mittal (F.C.A.)  
Partner  
Membership No.089077

Place: Kala-Amb  
Date: 27th May 2019



## Certification by Managing Director & Chief Financial Officer

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

We hereby certify that on the basis of the review of the financial statements and the cash flow statement for the financial year ended 31st March, 2019 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
2. 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;

We hereby certify that, to the best of our knowledge and belief, no transactions entered into during the year by the Company are fraudulent, illegal or violative of the Company's Code of Conduct.

We accept responsibility for establishing and maintaining internal controls for financial reporting and have evaluated the effectiveness of internal control systems pertaining to financial reporting and have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.

We have indicated to the Auditors and the Audit Committee:

1. There has not been any significant change in internal control over financial reporting during the year under reference;
2. There has not been any significant changes in accounting policies during the year under reference; and
3. We are not aware of any instance during the year of significant fraud with involvement therein, if any, of the management or an employee having a significant role in the internal control system over financial reporting.

For Ruchira Papers Limited

Place: Kala-Amb  
Date: 27th May 2019

**Umesh Chander Garg**  
(Managing Director)

**Vipin Gupta**  
(CFO & Executive Director)

# Independent Auditor's Report

To  
The Members of  
Ruchira Papers Limited

## Report on the Audit of the Financial Statements

We have audited the accompanying financial statements of Ruchira Papers Limited ("The Company"), which comprise the Balance Sheet as at 31st March 2019, the Statement of Profit and Loss (including other comprehensive income), the Statement of Changes in Equities and the Statement of Cash Flows for the year ended, and a summary of the significant accounting policies and other explanatory information (herein after referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act, read with the Companies (Indian Accounting Standard) Rules, 2015 as amended (Ind AS) and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2019, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

## Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Financial Statements for the financial year ended

31st March 2019. We have determined that there are no key audit matters to communicate in our report.

## Information other than the Financial Statements and Auditor's Report thereon

The Company's Board of Directors is responsible for the preparation of other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including annexures, Corporate Governance and Shareholders' Information, but does not include the Financial Statements and our auditor's report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Indian Accounting Standards (Ind AS) and other generally accepted accounting principles in India including the Accounting Standards specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating

effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016, (the order) issued by the Central Government in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, based on our audit, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the

Statement of Cash Flows dealt with by this Report are in agreement with the books of accounts.

- (d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
- (e) On the basis of the written representations received from the directors as on 31st March 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the internal financial control over financial reporting of those companies, for reasons stated therein.

- (g) In our opinion, the managerial remuneration for the year ended 31st March 2019 has been paid/provided by the company to its directors in

accordance with the provisions of section 197 read with Schedule V of the Act.

- (h) With respect of the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:
  - (i) The Company did not have any pending litigation, which may have impact on its financial position in its financial statements.
  - (ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the Year.

**For Subhash Sajal & Associates**  
*Chartered Accountants*  
Registration No.018178N

**Subhash Mittal (FCA)**  
*Partner*  
Membership No.089077

Date: 27th May 2019  
Place: Kala- Amb

## Annexure A to Independent Auditor's Report

Referred to in our Independent Auditor's Report of even date to the members of Ruchira Papers Limited on the financial statements as of and for the year ended 31st March 2019, we report the following:

- i. (a) The company has maintained proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets were physically verified by the Management during the year in accordance with a regular verification programme which, in our opinion provides for physical verification of all the Fixed Assets at reasonable interval. According to information and explanation given to us, no material discrepancies have been noticed on such verification.
- (c) In our opinion and according to information and explanations given to us and on the basis of an examinations of the records of the Company, the title deeds of immovable properties included in fixed assets are held in the name of the Company.
- ii. The physical verification of inventory except stocks in transit has been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material and have been dealt with in books of account.
- iii. The company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Act. Accordingly the provisions of clause 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.
- iv. No transactions relating to Loans, Investment, Guarantees and Security has been made during the year under the provisions of Section 185 and 186 of the Companies Act, 2013. Accordingly the provisions of clause 3 (iv) of the said Order are not applicable to the Company.
- v. In our opinion and according to information and explanations given to us the company has not

accepted any deposit from the public within the meaning of Sections 73 to 76 of the Act or any other relevant provisions of the Act and the Rules framed thereunder. Accordingly paragraph 3(v) of the Order is not applicable to the Company.

vi. Pursuant to the rules by the Central Government of India, the Company is required to maintain cost records as specified under Section 148 (1) of the Act in respect of its products. We have broadly reviewed the same, and are of the Opinion that, prima facie, the prescribed accounts and records have been made and maintained.

vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, amounts deducted/accrued in the books of account in respect of the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Taxes, Goods and Service Tax, Duty of Customs and other material statutory dues, as applicable, have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income Taxes, Goods and Service Tax, Duty of Customs and other material statutory dues, were in arrears as at 31st March 2019 for a period of more than 6 months from the date they became payable.

(b) According to the information and explanations given to us the records of the Company examined by us, there are no dues of Income Tax, Goods and Service Tax and Duty of Custom which have not been deposited on account of any dispute.

viii. According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to any financial Institution or bank. The Company does not have any loans and borrowings from Government. Further, the Company has not issued any debentures.

ix. The Company has not raised any money by way of initial public offer, further public offer (including debt instruments) except term loans. The term loans raised during the year were utilized for the purpose for which those were raised.

x. To the best of our knowledge and according to the information and explanations given to us, No material fraud by the Company or on the Company by its officers

or employees, noticed or reported during the course of our audit.

xi. In our opinion and according to information and explanations given to us, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the order are not applicable to the Company.

xiii. In our opinion and according to information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act, wherever applicable. The details of such related party transactions have been disclosed in the financial statements as required by the applicable accounting standards.

xiv. In our opinion and according to information and explanations given to us, the Company has issued 18,30,000 equity shares on 19.11.2018, pursuant to conversion of Share Warrants into Equity Shares on preferential basis to the promoter and promoter group during the year under review. The Company has complied with all the requirements of section 42 of the Act and the amount raised has been used for the purpose for which they were raised.

xv. In our opinion and according to information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the order are not applicable to the Company.

xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3 (xvi) of the order are not applicable to the Company.

**For Subhash Sajal & Associates**  
*Chartered Accountants*  
Registration No.018178N

**Subhash Mittal (FCA)**  
*Partner*  
Membership No.089077

Date: 27th May 2019  
Place: Kala- Amb

## Annexure B to Independent Auditor's Report

Referred to in paragraph 2(f) of the Independent Auditor's Report of even date to the members of Ruchira Papers Limited on the financial statements for the year ended 31st March 2019, we report the following:

### Report on the Internal Financial Controls over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of Ruchira Paper Limited ("the Company") as at 31st March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

### Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Controls Over Financial Reporting ("the Guidance Note") and the Standards on Auditing, issued by ICAI deemed to be prescribed under section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the ICAI. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial control over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- (iii) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, Projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, to the best of our information and according to the explanations given to us, the company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial

controls over financial reporting were operating effectively as at 31st March 2019, based on the internal controls over financial reporting criteria established by the Company considering the essential components over internal control stated in the Guidance Note on audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For Subhash Sajal & Associates

*Chartered Accountants*

Registration No.018178N

Subhash Mittal (FCA)

*Partner*

Membership No.089077

Date: 27th May 2019

Place: Kala- Amb



# Balance Sheet

as at 31st March 2019

(Amount in ₹)

	Particulars	Note No.	As at 31st March 2019	As at 31st March 2018
<b>A</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	2A	2306190137	2279702086
	(b) Capital work-in-progress	2B	30152630	25464724
	(c) Financial Assets:			
	(i) Investments	3	2500	2500
	(d) Other non-current assets	4	3466228	3466228
	<b>Total Non Current Assets(A1)</b>		<b>2339811495</b>	<b>2308635538</b>
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	5	838385920	684119647
	(b) Financial Assets			
	(i) Trade receivables	6	631138143	475913164
	(ii) Cash and cash equivalents	7	14722141	12463497
	(iii) Loans & Advances	8	285922185	179120017
	<b>Total Current Assets(A2)</b>		<b>1770168389</b>	<b>1351616325</b>
	<b>Total Assets(A1+A2)</b>		<b>4109979884</b>	<b>3660251863</b>
<b>B</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>EQUITY</b>			
	(a) Equity Share capital	9	242518040	224218040
	(b) Other Equity		2200931739	1689232225
	<b>Total Equity(B1)</b>		<b>2443449779</b>	<b>1913450265</b>
	<b>LIABILITIES</b>			
<b>2</b>	<b>Non-Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	10	134630483	272807552
	(b) Provisions	11	21488118	19731252
	(c) Deferred tax liabilities (Net)	12	328236284	306950861
	(d) Other non-current liabilities	13	77890484	118988359
	<b>Total Non Current Liability(B2)</b>		<b>562245369</b>	<b>718478024</b>
<b>3</b>	<b>Current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	14	470593621	486067107
	(ii) Trade payables	15	184683500	187060395
	(b) Other current liabilities	16	206325341	164881758
	(c) Provisions	17	46660320	45520226
	(d) Current Tax Liabilities (Net)	18	196021954	144794088
	<b>Total Current Liabilities(B3)</b>		<b>1104284736</b>	<b>1028323574</b>
	<b>Total Equity and Liabilities (B1+B2+B3)</b>		<b>4109979884</b>	<b>3660251863</b>

## SIGNIFICANT ACCOUNTING POLICIES

1

This is the Balance Sheet referred to in our report of even date.  
The Notes refer to above form part of the Financial Statements

### Auditors Report

Certified in terms of our separate report of even Date

For Subhash Sajal and Associates

Chartered Accountants  
Registration No.018178N

Subhash Mittal (F.C.A.)

Partner  
Membership No.089077

Place: Kala-Amb  
Date: 27th May 2019

For and on behalf of Board of Directors

Jatinder Singh

(Chairman & Whole Time Director)

Vipin Gupta

(CFO & Executive Director)

Umesh Chander Garg

(Managing Director)

Vishav Sethi

(Company Secretary)



# Statement of Profit and Loss for the period ended 31st March 2019 (Amount in ₹)

	Particulars	Note No.	2018-19	2017-18
I	Revenue From Operations	19	4939903805	4506442415
II	Other Income	20	18910003	37518296
III	<b>Total Income (I+II)</b>		<b>4958813808</b>	<b>4543960711</b>
IV	<b>EXPENSES</b>			
	Cost of materials consumed	21	3108569850	2722780127
	Purchases of Stock-in-Trade		-	-
	Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	22	(111953126)	(185781)
	Excise duty		-	30427174
	Employee benefits expense	23	433752648	401871754
	Finance costs	24	80993337	77169086
	Depreciation and amortization expense	2A	130883716	119654323
	Other expenses	25	688336902	609812737
	<b>Total expenses (IV)</b>		<b>4330583327</b>	<b>3961529420</b>
V	<b>Profit/(loss) before exceptional items and tax (III- IV)</b>		<b>628230481</b>	<b>582431291</b>
VI	Exceptional Items - (profit)/loss		4036942	(665338)
VII	<b>Profit/(loss) before tax (V-VI)</b>		<b>624193539</b>	<b>583096629</b>
VIII	Tax expense:			
	(1) Current tax		200557551	174485541
	(2) Deferred tax		21285423	28156840
	(3) Earlier year Taxes		-	288217
IX	<b>Profit (Loss) for the period from continuing operations (VII-VIII)</b>		<b>402350565</b>	<b>380166031</b>
X	<b>Profit/(loss) from Discontinued operations (after tax)</b>		<b>-</b>	<b>-</b>
XI	<b>Profit/(loss) for the period (IX+X)</b>		<b>402350565</b>	<b>380166031</b>
XII	Other Comprehensive Income:			
A	(i) Items that will not be reclassified to profit or (loss):- Remeasurements of the net defined benefits plans		(6714249)	3380519
	(ii) Income tax relating to items that will not be reclassified to profit or (loss):- Remeasurements of the net defined benefits plans		(2345959)	1169931
B	(i) Items that will be reclassified to profit or (loss)		-	-
	(ii) Income tax relating to items that will be reclassified to profit or (loss)		-	-
XIII	<b>Total Comprehensive Income for the period (XI+XII) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>397982275</b>	<b>382376619</b>
XIV	<b>Earnings per equity share (for continuing operation):</b>			
	(1) Basic	26	17.43	17.05
	(2) Diluted	26	17.43	16.86

This is the Statement of Profit and Loss referred to in our report of even date.

The Notes refer to above form part of the Financial Statements

#### Auditors Report

Certified in terms of our separate report of even Date

#### For Subhash Sajal and Associates

Chartered Accountants  
Registration No.018178N

#### Subhash Mittal (F.C.A.)

Partner  
Membership No.089077

Place: Kala-Amb  
Date: 27th May 2019

#### For and on behalf of Board of Directors

#### Jatinder Singh

(Chairman & Whole Time Director)

#### Vipin Gupta

(CFO & Executive Director)

#### Umesh Chander Garg

(Managing Director)

#### Vishav Sethi

(Company Secretary)

# Statement of Cash Flow as on 31st March 2019

(Amount in ₹)

	Particulars	Year ended 31st March 2019	Year ended 31st March 2018
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit Before Tax as per Profit and Loss Account	624193539	583096629
	Adjusted for:		
	Loss/(Profit) on sale of Fixed Assets	4036942	(665338)
	Depreciation and amortization expenses	130883716	119654323
	Net Defined Benefits Plans Charged to OCI	(6714249)	3380519
	Interest/Dividend Income	(13978457)	(18274000)
	Interest Expense	77045963	70931283
		191273915	175026787
	<b>Operating Profit before working capital changes</b>		
	Adjusted for:		
	Decrease/(Increase) in Trade Receivables	(155224979)	(37988232)
	Decrease/(increase) in Inventories	(154266273)	(130958270)
	Decrease/(increase) in Loans & advances	(34359018)	(5806611)
	(Decrease)/increase in Trade Payables	(2376895)	(6124467)
	(Decrease)/increase in Other Current Liabilities	(15641929)	19218189
		(361869094)	(161659391)
	<b>Cash generated from Operations</b>	<b>453598360</b>	<b>596464025</b>
	Income Tax Paid(Net)	(218968952)	(125401578)
	Net Cash from Operating Activities	<b>234629408</b>	<b>471062447</b>
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Purchase of Fixed Assets	(172604539)	(606335754)
	Proceeds from sale of Fixed assets	6050000	1015000
	Increased in non current Assets	-	-
	Increase in Long term Loan and Advances	-	-
	Interest/Dividend received	13978457	18274000
	Net Cash (Used in) Investing Activities	<b>(152576082)</b>	<b>(587046754)</b>
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Long Term Borrowings	94969376	168730834
	Repayments of Long Term Borrowing	(214261848)	(101833139)
	Proceeds from Short Term Borrowings(Net)	(15473486)	112563926
	Proceeds from share warrants	-	64278751
	Proceeds from share issue (Including Security Premium)	192836250	
	Dividend Paid	(50449059)	(50449059)
	Dividend Tax	(10369952)	(10270241)
	Interest Paid	(77045963)	(70931283)
	Net Cash (Used in) From Financing activities	<b>(79794682)</b>	<b>112089789</b>
	<b>Net Increase/(Decrease) in Cash &amp; Cash equivalents (A+B+C)</b>	<b>2258644</b>	<b>(3894518)</b>
	Cash & Cash equivalents at beginning of the period	12463497	16358015
	Cash & Cash equivalents at end of the period*	14722141	12463497

\* Include towards unclaimed dividend of ₹787051/- (Previous year ₹605755/-)

## Notes:

1. Previous year figures have been regrouped / rearranged wherever necessary.
2. Negative figures have been shown in brackets.

## Auditors Report

Certified in terms of our separate report of even Date

For Subhash Sajal and Associates

Chartered Accountants  
Registration No.018178N

Subhash Mittal (F.C.A.)

Partner  
Membership No.089077

Place: Kala-Amb

Date: 27th May 2019

## For and on behalf of Board of Directors

Jatinder Singh

(Chairman & Whole Time Director)

Umesh Chander Garg

(Managing Director)

Vipin Gupta

(CFO & Executive Director)

Vishav Sethi

(Company Secretary)

# Statement of Change in Equity for the period ended 31st March 2019

## A. Equity Share Capital

(Amount in ₹)

Particulars	No. of Share	Amount in ₹
Balance as at 01/04/2018	22421804	224218040
Changes in equity share capital during the period	1830000	18300000
Balance as at 31/03/2019	24251804	242518040

## B. Other Equity

(Amount in ₹)

Particulars	Reserves and Surplus			Other items of Other Comprehensive Income	Money received against share warrants	Total
	Securities Premium Reserve	General Reserve	Retained Earnings	Remeasurements of net defined benefits plans		
Balance as at 01/04/2018	181086953	39626724	1406495551	(2255754)	64278751	1689232225
Changes in accounting policy or prior period errors						-
Restated balance at the beginning of the reporting period	181086953	39626724	1406495551	(2255754)	64278751	1689232225
Profit for the Year			402350565			402350565
Other Comprehensive Income for the year				(4368290)		(4368290)
Dividends paid			50449059			50449059
Dividend Tax paid			10369952			10369952
Transfer to retained earnings						-
Cash Proceeds/(Payments)	238815001				(64278751)	174536250
Balance as at 31/03/2019	419901954	39626724	1748027105	(6624044)	-	2200931739

### Auditors Report

Certified in terms of our separate report of even Date

For Subhash Sajal and Associates

Chartered Accountants  
Registration No.018178N

Subhash Mittal (F.C.A.)

Partner  
Membership No.089077

Place: Kala-Amb

Date: 27th May 2019

For and on behalf of Board of Directors

Jatinder Singh

(Chairman &amp; Whole Time Director)

Umesh Chander Garg

(Managing Director)

Vipin Gupta

(CFO &amp; Executive Director)

Vishav Sethi

(Company Secretary)

# Notes on Financial Statement for the period ended 31st March 2019

## 1. Corporate Information:

Ruchira Papers Limited (the Company) is a manufacturing company. The Company manufactures Kraft Paper and Writing and Printing Paper. The Company is a public limited company incorporated and domiciled in India. The address of its Registered Office is Tirlokpur Road, Kala Amb, Distt-Sirmaur, Himachal Pradesh-173030. The equity shares of the company are listed on National Stock Exchange of India Ltd (NSE) and BSE Limited (BSE).

The Financial Statements for the year ended 31st March 2019 were approved by the Board of Directors and authorized for issue on 27th May 2019.

## 2. Basis for preparation, measurement and significant accounting policies

### 2.1 Basis for preparation and measurement

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS" as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time under the historical cost convention on the accrual basis.

Accounting Policies have been consistently applied except where a newly issued Accounting Standard is initially adopted or a revision to existing accounting standard requires a change in the accounting policy either to in use.

### 2.2 Statement of Compliance

The Financial Statements comply with all material aspects with Indian Accounting Standards.

### 2.3 Functional and Presentation Currency

The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees. All amount have been rounded off to the nearest rupees unless otherwise indicated.

### 2.4 Use of estimates and judgments

The preparation of these financial statements in conformity with recognition and measurement principles of Ind AS requires the management of the Company to make judgments, estimates and assumptions. These estimates, judgments and assumptions effect the application of accounting policy and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. The application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in notes. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes and estimates are made as the Management becomes aware of the changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their affects are disclosed in the notes to the financial statements.

The areas involving significant estimates and judgement include determination of useful life of property, plant and equipment, measurement of defined benefit obligations, recognition and measurement of provisions and contingencies and recognition of deferred tax assets/liabilities.

## 3. Critical accounting estimates

### a) Revenue recognition

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. Sales are recognized when goods are supplied and the significant risks and rewards or ownership of the goods have passed to the buyer. Dividend income is accounted in the year in which it is received. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

### b) Export Incentives

The revenue in respect of export benefits is recognized on post export basis at the rate at which the entitlements accrue.

### c) Insurance and other claims

Insurance and other claims are recognised when there exist no significant uncertainty with regard to the amount to be realized and the ultimate collection thereof.

## Notes on Financial Statement for the period ended 31st March 2019

### d) Income Taxes

Significant judgments are involved in determining the provisions for income taxes including amount expected to be paid/incurred on uncertain tax positions.

### e) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The change in respect of periodic depreciation is derived after determining an estimate of an assets expected useful life and the expected residual value at the end of its life. The useful lives and residual values of the Company's assets determine by the management at the time asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as change in technology.

## 4. Significant Accounting Policies

### a) Property, plant and equipment:

Property, plant and equipment is stated at acquisition cost net of Input Tax Credit/Cenvat, accumulated depreciation and accumulated impairment losses, if any. The Cost of these assets comprise its purchase price, borrowing cost and any cost directly attributable to bringing the asset to its working condition for its intended use. Subsequent expenditure relating to an item of assets are added to its book value only if they increase the future benefits from the existing assets beyond its previously assessed standard of performance. All other repairs and maintainance cost are charged to the statement of profit and loss during the period in which they are incurred.

Gains/Losses arising on disposal of property, plant and equipment are recognized in the statement of profit and loss as exceptional items.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as Capital Work in Progress.

Depreciation on fixed assets other than vehicles and furniture & fixtures is provided on straight line method based on estimated useful life prescribed under Schedule II of the Companies Act, 2013. Depreciation on vehicles and furniture & fixtures has been provided on written down value method under Schedule II of the Companies Act, 2013.

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

Freehold land is not depreciated.

The residual values, useful lives and method of depreciation of property, plant and equipment is reviewed at the end of each financial year and adjusted prospectively, if appropriate.

### b) Inventories:

Inventories are valued at the lower of cost and net realizable value after providing for obsolescence, if any except in case of by-product which are valued at net realizable value. The cost is computed on First in First out (FIFO) basis. 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.

### c) Cash and Cash Equivalents:

Cash and Cash Equivalents are short term (3 months or less from the date of acquisition), highly liquid investments that are daily convertible into cash and which are subject to and insignificant risk of changes in value.

### d) Trade Receivables:

Trade receivables are recognized at fair value.

### e) Impairment of Non Financial Tangible Assets:

Property, plant and equipment with finite life are evaluated for recoverability whenever there is an indication that carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e higher of fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flow that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the assets belongs.

## Notes on Financial Statement for the period ended 31st March 2019

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognized in the statement of profit and loss.

### f) Cash Flow Statement

The cash flow statement is prepared in accordance with the Indian Accounting Standard (Ind AS)-7 "Statement of Cash Flows" using the Indirect Method for operating activities.

### g) Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are capitalized as a part of cost of such asset. Qualifying asset is one that takes substantial period of time to get ready for its intended use. All other borrowing costs are recognized as expenditure in the period in which these are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### h) Foreign currency transactions

#### Functional and Presentation currency

The functional currency of the company is Indian rupee. These financial statements are presented in Indian rupees.

#### Transaction and balances

Transactions in foreign currency are initially recorded, on initial recognition in the functional currency, by applying to the foreign currency amount the exchange rate between the functional currency at the date of the transaction.

Effective 1st April 2018, the company has adopted Appendix-B to Ind-AS 21 'Foreign currency transaction and advance consideration', which clarifies the date of transaction for the purpose of determining the exchange rate to be used on initial recognition of the related asset, expense or income where an entity has paid or received advance consideration in a foreign currency. The effect on account of adoption of this amendment is insignificant.

Exchange differences arising on the settlement of monetary items or on reporting of monetary items at rates different from rates at which these were recognized on initial recognition during the period or reported in previous financial statements as recognized in the statement of profit or loss in the period in which they arise.

### i) 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.

### j) Expenditure:

Expenses are accounted on accrual basis.

### k) Employee Benefits:

#### Defined benefit plans

For defined benefit plans, the cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuation being carried out at each Balance Sheet date. Actuarial Gains and losses on funded obligations are recognized in full in other comprehensive income for the period in which they occur.

#### Defined Contribution Plans

Contributions to defined contribution plans are recognized as expense when employee have rendered services entitling them to such benefits.

### l) Income Taxes:

Income Tax expense for the year comprises both current and deferred taxes. Current tax is measured at the amount expected to be paid to the tax authorities, using the applicable tax rates. It is recognized in the statement of profit and loss. 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

## Notes on Financial Statement for the period ended 31st March 2019

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.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

### m) Earnings per Share:

Basic Earnings per Share is computed by dividing profit or loss attributable to equity shareholders of the company by the weighted average number of equity share outstanding during the year.

For the purpose of calculating diluted Earnings per share, the net profit for the period attributable to equity shares and the weighted average number of equity share outstanding during the period is adjusted for the effect of all dilutive potential equity shares.

### Recent Accounting Pronouncements

#### a) Ind AS 116- Leases

On 30th March 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17.

The effective date for adoption of Ind AS 116 is annual periods beginning on or after 1st April 2019. The standard permits two possible methods of transition:

Full retrospective- Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

Modified retrospective- Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application.

#### b) Ind AS 12- Appendix C- Uncertainty over Income Tax Treatments

On 30th March 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.



## Notes on Financial Statement for the period ended 31st March 2019

The standard permits two possible methods of transition.

- i) Full retrospective approach- Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight.
- ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after 1st April 2019.

Amendment to Ind AS 12 - Income taxes

On 30th March 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after 1st April 2019.

**c) Amendment to Ind AS 19 - plan amendment, curtailment or settlement**

On 30th March 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date of application of this amendment is annual period beginning on or 1st April 2019.

**d) Ind AS 109- Prepayment features with Negative Compensation:**

The amendments relate to the existing requirements in Ind AS 109 regarding termination rights in order to allow measurement at amortized cost (or, depending on the business model, at fair value through other comprehensive income) even in the case of negative compensation payments. Company does not expect this amendment to have any impact on its financial statements.

**e) Ind AS 23- Borrowing costs:**

The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, the borrowing become part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. The company does not expect any significant impact from this amendment.

# Notes on Financial Statement for the period ended 31st March 2019

## 2 PROPERTY, PLANT AND EQUIPMENTS AND CAPITAL WORK IN PROGRESS

(Amount in ₹)

Description	Cost			Provision for Depreciation			Net Block		
	As at 01.04.2018	Additions	Disposals/ Transfer	As at 31.03.2019	As at 01.04.2018	For the year(18-19)	Disposals/ Transfer	As at 31.03.2019	As at 31.03.2018
A) Property, Plant & Equipment									
Tangible Assets:									
Land	348942859	6441420	-	355384279	-	-	-	355384279	348942859
Building	338470870	22233761	-	360704631	115557279	10832731	-	234314621	222913591
Office Building	59362915	-	-	59362915	5334988	937934	-	53089993	54027927
Plant & Machinery	2527857519	92531036	14506416	2605882139	955615674	96567002	6188151	1559887614	1572241845
E.T.P.	60340270	-	-	60340270	45514107	749308	-	14076855	14826163
Tube Well	7727246	-	-	7727246	4898312	692182	-	2136752	2828934
Furniture	27886471	662147	-	28548618	10255010	4703513	-	13590095	17631461
Office Equipments	12151467	1565811	-	13717278	7214206	1536979	-	4966093	4937261
Vehicles	104297093	43184649	17279181	130202561	68082384	13172429	15510504	64458252	36214709
Misc. Fixed Assets	25741292	1297809	-	27039101	20603956	2149562	-	4285583	5137336
<b>Sub-total (a)</b>	<b>3512778002</b>	<b>167916633</b>	<b>31785597</b>	<b>3648909038</b>	<b>1233075916</b>	<b>131341640</b>	<b>21698655</b>	<b>2306190137</b>	<b>2279702086</b>
B) Capital Work in Progress									
Plant & Machinery (CWIP)								11725496	13850903
Building under Construction (CWIP)								-	827839
Tubewell (CWIP)								-	-
Pre-operative exp.(CWIP)								18427134	10785982
<b>Sub-total (b)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>30152630</b>	<b>25464724</b>

\* NOTE- ₹457924/- BEING THE AMOUNT OF DEPRECIATION CHARGED ON ASSETS BELONGING TO PUNJAB PROJECT/UNIT IS NOT CHARGED TO THE STATEMENT OF PROFIT & LOSS AND IS CHARGED TO PRE-OPERATIVE EXPENSES AS THE PUNJAB PROJECT /UNITS UNDER IMPLEMENTATION.

## Notes on Financial Statement for the period ended 31st March 2019

### 3 NON CURRENT INVESTMENTS

(Long term investments)

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018
Other Investments		
In Equity Shares-Unquoted, fully paid up		
250 Shivalik Solid waste Management Ltd. ₹10 each	2500	2500
<b>TOTAL</b>	<b>2500</b>	<b>2500</b>

### 4 OTHER NON CURRENT ASSETS

(Unsecured and Considered Good)

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018
Security Deposits		
With HPSEB and Others	3466228	3466228
<b>TOTAL</b>	<b>3466228</b>	<b>3466228</b>

### 5 INVENTORIES

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018
Raw Materials and components	356166613	351055111
Work-in-progress	53185500	35856500
Finished goods	148465815	53841689
Stores and spares	280567992	243366347
<b>TOTAL</b>	<b>838385920</b>	<b>684119647</b>

### 6 TRADE RECEIVABLES

(Unsecured and Considered Good)

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018
Over Six Months	31105389	28277738
Others	600032754	447635426
<b>TOTAL</b>	<b>631138143</b>	<b>475913164</b>

### 7 CASH & CASH EQUIVALENT

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018
Balances with Banks*	807738	620376
Cash in hand	3144403	1103371
Margin Money*	10770000	10739750
<b>TOTAL</b>	<b>14722141</b>	<b>12463497</b>

\*Balance with bank includes ₹787051/- as Unpaid Dividend (Previous Year- ₹605755) and margin money includes ₹435000/- as fixed deposits with Banks having maturity period of more than 12 months (Previous Year - ₹10221750/-).

## Notes on Financial Statement for the period ended 31st March 2019

### 8 SHORT TERM LOANS AND ADVANCES

(Unsecured and Considered Good)

(Amount in ₹)

Particulars	As at 31st March 2019		As at 31st March 2018	
Others				
Balance with revenue authorities	198773045		126409519	
Other loan and advances	75139590		41373010	
Interest incurred but not due	12009550	285922185	11337488	179120017
<b>TOTAL</b>		<b>285922185</b>		<b>179120017</b>

### 9 SHARE CAPITAL

(Amount in ₹)

Particulars	As at	
	31st March 2019	31st March 2018
Authorised Share Capital		
31000000 Equity Shares of ₹10/- each (31000000)	310000000	310000000
Issued Subscribed and Paid up		
24251804 Equity Shares of ₹10/- each fully paid up	242518040	224218040
<b>TOTAL</b>	<b>242518040</b>	<b>224218040</b>

9.1 The reconciliation of the number of shares outstanding is set out below:

Particulars	As at	
	31st March 2019	31st March 2018
	Number of Shares	Number of Shares
Equity Shares at the beginning of the Year	22421804	22421804
Add: Equity Shares Issued during the year	1830000	-
Less: Equity Shares bought back during the year	-	-
<b>Equity Shares at the end of the year</b>	<b>24251804</b>	<b>22421804</b>

9.2 The details of Shareholders holding more than 5% Shares

Name of Shareholder	As at 31st March 2019		As at 31st March 2018	
	No. of Shares	% held	No. of Shares	% held
Sh. Jatinder Singh	2444090	10.08%	2359090	10.52%
Sh. Umesh Chander Garg	1470455	6.06%	1268855	5.66%
MS. Charanjeet Kaur	1273534	5.25%	1167934	5.21%

### 10 LONG TERM BORROWINGS

(Amount in ₹)

Particulars	Non-Current			
	As at 31st March 2019		As at 31st March 2018	
Secured				
Term Loans				
From Banks	112901894		174011496	
From Others	21728589	134630483	30016056	204027552
Unsecured				
From Other (Directors)		-		68780000
<b>TOTAL</b>		<b>134630483</b>		<b>272807552</b>

## Notes on Financial Statement for the period ended 31st March 2019

### 10 LONG TERM BORROWINGS (contd.)

10.1 The term loans from 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. Term loans are further secured by 2nd Parri Passu charge on the current assets of the Company. The Vehicle loans are secured by hypothecation of vehicles acquired against such loans. Home loan is secured by first charge on flat at GK-II New Delhi.

### 11 LONG TERM PROVISIONS

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018
Provision for employee benefits		
Leave Encashment	21488118	19731252
<b>TOTAL</b>	<b>21488118</b>	<b>19731252</b>

### 12 DEFERRED TAX LIABILITY (Net)

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018
Deferred Tax Liability		
Related to fixed assets	337218672	315099458
Deferred Tax Assets		
Unabsorbed Depreciation/disallowances under the Income Tax Act, 1961	8982388	8148597
<b>TOTAL</b>	<b>328236284</b>	<b>306950861</b>

### 13 OTHER LONG TERM LIABILITIES

(Amount in ₹)

Particulars	As at 31st March 2019		As at 31st March 2018	
Others				
Creditors for Capital Work	5335684		26093704	
Security Deposit From Suppliers	12935000		24335000	
Security Deposit From Customers	59619800	77890484	68559655	118988359
<b>TOTAL</b>		<b>77890484</b>		<b>118988359</b>

### 14 SHORT TERM BORROWINGS

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018
Secured		
Working Capital Loans from Banks		
Rupee Loans	470593621	486067107
<b>TOTAL</b>	<b>470593621</b>	<b>486067107</b>

14.1 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. The limits are further secured by first Parri Passu charge on the surplus fixed assets of the company.

## Notes on Financial Statement for the period ended 31st March 2019

### 15 TRADE PAYABLES

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018
Micro Small and Medium Enterprises	13008045	9976837
Others	171675455	177083558
<b>TOTAL</b>	<b>184683500</b>	<b>187060395</b>

15.1 The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the Company is as under:

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018
Principal amount due and remaining unpaid	-	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment beyond the appointee day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest accrued and remaining unpaid	-	-
Amount of further interest remaining due and payable in succeeding years.	-	-

### 16 OTHER CURRENT LIABILITIES

(Amount in ₹)

Particulars	As at 31st March 2019		As at 31st March 2018	
Current maturities of long-term debts	142064308		123179711	
Advances from Customers*	6421798		5636660	
Unclaimed dividend	787051		605755	
Statutory dues	33427311		16576237	
Other provisions (expenses payable)	23624873	206325341	18883395	164881758
<b>TOTAL</b>		<b>206325341</b>		<b>164881758</b>

\* Amount received for supply of goods/material and outstanding amount does not exceed the period of 365 days.

### 17 SHORT TERM PROVISIONS

(Amount in ₹)

Particulars	As at 31st March 2019		As at 31st March 2018	
Provision for employee benefits				
Salary & Reimbursements	23754514		22983921	
Leave Encashment	4216980		3814164	
Contribution to EPF	4796655		4789452	
Superannuation	722523		715651	
Annual Bonus	13169648	46660320	13217038	45520226
<b>TOTAL</b>		<b>46660320</b>		<b>45520226</b>

### 18 CURRENT TAX LIABILITY (NET)

(Amount in ₹)

Particulars	As at 31st March 2019		As at 31st March 2018	
PROVISION FOR INCOME TAX	198211592		175655472	
LESS MAT CREDIT TO BE UTILISED	-		28323653	
LESS TDS AND TCS	2189638	196021954	2537731	144794088
<b>TOTAL</b>		<b>196021954</b>		<b>144794088</b>

# Notes on Financial Statement for the period ended 31st March 2019

## 19 REVENUE FROM OPERATIONS

(Amount in ₹)

Particulars	2018-19	2017-18
Sale of products	4947907181	4515931675
Less: Rebate & Discount	8003376	9489260
<b>TOTAL</b>	<b>4939903805</b>	<b>4506442415</b>

### 19.1 PARTICULARS OF SALE OF PRODUCTS:

(Amount in ₹)

Particulars	2018-19	2017-18
Kraft Paper	1902480425	1914458083
Writing & Printing Paper	3015367798	2583009893
Ash/Sludge or Others	19623249	5798950
Sale of iron scrap	10435709	12664749
<b>TOTAL</b>	<b>4947907181</b>	<b>4515931675</b>

## 20 OTHER INCOME

(Amount in ₹)

Particulars	2018-19	2017-18
Interest Income	13978082	18273450
Difference in foreign Currency	730184	-
Duty Draw Back Incentive	517481	480925
Dividend Income	375	550
Short & excess recoveries	20895	17011
GST Budgetary Support	-	17137938
MEIS Incentives	2747745	1608422
PMRPY (BENEFIT)	915241	-
<b>TOTAL</b>	<b>18910003</b>	<b>37518296</b>

## 21 COST OF MATERIALS CONSUMED

(Amount in ₹)

Particulars	2018-19		2017-18	
	Amount	Consumption Percentage	Amount	Consumption Percentage
Imported	258864388	8.33	145550708	5.35
Indigenous	2849705462	91.67	2577229419	94.65
<b>TOTAL</b>	<b>3108569850</b>	<b>100.00</b>	<b>2722780127</b>	<b>100.00</b>

### 21.1 PARTICULARS OF MATERIAL CONSUMED

(Amount in ₹)

Particulars	2018-19		2017-18	
Raw Materials	1866583590		1657325107	
Fuel	715107005		566027999	
Chemicals	526879255	3108569850	499427021	2722780127
<b>TOTAL</b>		<b>3108569850</b>		<b>2722780127</b>



# Notes on Financial Statement for the period ended 31st March 2019

## 22 CHANGES IN INVENTORIES OF FINISHED GOODS AND STOCK IN PROCESS (Amount in ₹)

Particulars	2018-19		2017-18	
<b>Inventories (At close)</b>				
- Finished Goods	148465815		53841689	
- Semi Finished Goods and Goods in process	53185500	201651315	35856500	89698189
<b>Inventories (At commencement)</b>				
- Finished Goods	53841689		48581858	
- Semi Finished Goods and Goods in process	35856500	89698189	40930550	89512408
<b>TOTAL</b>		<b>(111953126)</b>		<b>(185781)</b>

## 23 EMPLOYEE BENEFITS EXPENSE (Amount in ₹)

Particulars	2018-19	2017-18
Bonus to Staff	1847142	1874377
Bonus to Workers	11346035	10763933
Contribution towards Gratuity Fund	9035840	9722327
Conveyance Allowance	36600	40603
News Paper & Periodical Allowance	241243	-
Directors' Remuneration	73973000	67523000
E.D.L.I. Charges	1194890	770187
E.S.I.	5430936	5295938
Labour & Staff Welfare	3734691	3658174
Leave Encashment	3506892	3375342
EPF & Administrative Charges	29937817	28454225
Production Staff Salaries	197474071	179926059
Salaries Adm. Staff	86631457	82527505
Wages	9362034	7940084
<b>TOTAL</b>	<b>433752648</b>	<b>401871754</b>

23.1 As per IND AS 19 "Employee benefits", the disclosures are given below:

### Defined Benefit Plan

The employees' gratuity fund scheme managed by trust is a defined benefit plan. The present value of obligation is determined based on Actuarial Valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is determined based on Actuarial valuation using Projected Unit Credit Method

### i) Reconciliation of opening and closing balances of Defined Benefit Obligation (Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Un-Funded)	
	2018-19	2017-18	2018-19	2017-18
Defined Benefit Obligation at the beginning of Year	76473548	70163941	23545416	21043503
Current service cost	8485175	7761717	3655474	3780027
Interest Cost	5896111	5171082	1815352	1550907
Past Service Cost	-	796959	-	-
Actuarial (Gain)/Loss	5973735	(3054054)	(1963934)	(1955592)
Benefits paid	(5714582)	(4366097)	(1347210)	(873429)
<b>Defined Benefit Obligation at the Year end</b>	<b>91113987</b>	<b>76473548</b>	<b>25705098</b>	<b>23545416</b>

# Notes on Financial Statement for the period ended 31st March 2019

## 23 EMPLOYEE BENEFITS EXPENSE (contd.)

### II) Reconciliation of opening and closing balances of Fair Value of Plan Assets (Amount in ₹)

Particulars	Gratuity (Funded)	
	2018-19	2017-18
Fair Value of Plan Assets at the beginning of year	69331341	54374905
Actual return on plan Assets	4604932	4333896
Employer Contribution	6341808	14988637
Benefits paid	(5714582)	(4366097)
Fair Value of Plan Assets at year end	74563499	69331341

### III) Reconciliation of Fair Value and Obligations (Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Un-Funded)	
	2018-19	2017-18	2018-19	2017-18
Fair Value of Obligation	91113987	76473548	25705098	23545416
Funded status/difference	(16550488)	(7142207)	(25705098)	(23545416)
Fair Value of Plan Assets at the end of the year	74563499	69331341	-	-
Amount recognized in Balance Sheet	(16550488)	(7142207)	(25705098)	(23545416)

### IV) The charge to the statement of profit and loss comprises (Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment (Un-Funded)	
	2018-19	2017-18	2018-19	2017-18
a) Employee Benefit Expenses:-				
Current Service Cost	8485175	7761717	3655474	3780027
Past service cost	-	796959	-	-
Interest Cost on defined benefits obligation	5896111	5171082	1815352	1550907
Interest Income on plan assets	(5345446)	(4007431)	-	-
Net Actuarial (Gain)/Loss	-	-	(1963934)	(1955592)
Net impact on profit before tax	9035840	9722327	3506892	3375342

(Amount in ₹)

Particulars	Gratuity (Funded)	
	2018-19	2017-18
b) Remeasurement of the net defined benefit plans:-		
Net cumulative unrecognized actuarial gain/(loss) opening	-	-
Actuarial gain/(loss) for the year on PBO	(5973735)	3054054
Actuarial gain/(loss) for the year on Assets	(740514)	326465
Net Impact on other Comprehensive income before tax	(6714249)	3380519

### V) Actuarial Gain/(loss) on plan assets (Amount in ₹)

Particulars	Gratuity (Funded)	
	2018-19	2017-18
Expected interest income	5345446	4007431
Actual Income on plan assets	4604932	4333896
Actuarial gain/(loss) on plan assets during the year	(740514)	326465

## Notes on Financial Statement for the period ended 31st March 2019

### 23 EMPLOYEE BENEFITS EXPENSE (contd.)

VI) Actuarial (Gain)/loss on Obligation (Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment	
	2018-19	2017-18	2018-19	2017-18
Actuarial (gain)/loss on arising from change in demographic assumption	-	-	-	-
Actuarial (gain)/loss on arising from change in financial assumption	462389	(2369836)	158058	(870978)
Actuarial (gain)/loss on arising from change in experience adjustment	5511346	(684218)	(2121992)	(1084614)
Actuarial (gain)/loss on plan assets during the year	5973735	(3054054)	(1963934)	(1955592)

VII) Investments Details (Amount in ₹)

Particulars	% Invested	
	As at 31st March 2019	As at 31st March 2018
GOI Securities	-	-
Public Securities	-	-
State Government Securities	-	-
Insurance Policies	-	-
Others (including Bank Balances)	100	100
<b>TOTAL</b>	<b>100</b>	<b>100</b>

VIII) Actuarial Assumptions (Amount in ₹)

Particulars	Gratuity (Funded)		Leave Encashment	
	2018-19	2017-18	2018-19	2017-18
Mortality Table(LIC)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Discounting rate (per annum)	7.65%	7.71%	7.65%	7.71%
Expected rate of return on Plan Assets (per annum)				
Kraft Paper Unit	6.50%	7.55%	-	-
Writing & Printing Paper Unit	6.50%	7.55%	-	-
Future salary Increase (per annum)	5.50%	5.50%	5.50%	5.50%

The Estimates of salary growth rate is considered in actuarial valuation, taking into account inflation, seniority, promotion and other relevant factors on long term basis.

The discount rate is generally based upon the market yields available on Government Bonds at the accounting date with a term that matches that of the liabilities.

### 24 FINANCE COSTS

(Amount in ₹)

Particulars	2018-19	2017-18
On Working Capital	41151986	40620498
On Term Loans	26734267	24613479
Bank Charges	3947374	6237803
Others	9159710	5697306
<b>TOTAL</b>	<b>80993337</b>	<b>77169086</b>

# Notes on Financial Statement for the period ended 31st March 2019

## 25 OTHER EXPENSES

(Amount in ₹)

Particulars	As at 31st March 2019		As at 31st March 2018	
<b>Manufacturing Expenses</b>				
Ash Clearing Expenses	10744487		10217108	
Broke Shifting Charges	2595961		2056409	
Consumable Stores & Electric Repairs	104120654		101496681	
E.T.P. Expenses	7962847		7777498	
Lease Rent Expenses	195245		72208	
Packing Material Consumed	83892307		71754043	
Power	240618733		191531019	
Repairs to Building	8988192		10304459	
Repairs to Machinery	106340772		102015403	
Sheet Cutting Charges	16184516		14913089	
Testing Charges	481875		613020	
Tractor Running & maintenance	4117492	586243081	3489771	516240708
<b>Selling &amp; Distribution Expenses</b>				
Advertisement & Publicity	1500906		2436033	
Business/ Sales Promotion	4085659		2119327	
Commission Paid	20354021		16210615	
Freight & Forwarding	12702806	38643392	10131662	30897637
<b>Establishment Expenses</b>				
Directors' Meeting Fees	500000		600000	
Travelling & Conveyance	16643838		13766292	
Rent	42000		39000	
Water & Electricity Expenses	233378		335848	
Postage & Courier	462541		468923	
Printing & Stationery	833313		945329	
Corporate Social Responsibility (CSR)	6692237		4577928	
Compensation/Exgratia	-		80000	
Donation	100000		223000	
Telephone Expenses	1344031		1583400	
Legal & Consultancy Expenses	4773576		9875052	
Service Tax Paid	-		1504767	
Short and Excess Recovery	-		-	
Vehicle Running & Maintenance	6228916		5257944	
Bus Running & Maintenance	2352999		2265790	
Repairs & Maintenance others	4329099		4741507	
Research & Development	1000000		450000	
Insurance	9556130		8070661	
News Papers & Periodicals	55797		32095	
<b>Auditors Remuneration</b>				
- Statutory Audit	240000		220000	
- Internal Audit	600000		550000	
- Cost Audit	65000		65000	
- Audit Expenses	264342		246345	
<b>Fees and Taxes</b>				
Filing Fee	16885		9548	
Subscription	439233		178489	
Training and Seminar Expenses	-		28000	
Export Exps.	3025582	63450429	2688506	62674392
<b>TOTAL</b>		<b>688336902</b>		<b>609812737</b>

## Notes on Financial Statement for the period ended 31st March 2019

### 25 OTHER EXPENSES (contd.)

#### 25.1 VALUE OF STORES, CONSUMABLES AND PACKING MATERIAL CONSUMED (Amount in ₹)

Particulars	2018-19		2017-18	
	Amount	Consumption Percentage	Amount	Consumption Percentage
Imported	11130409	3.78	21656655	7.87
Indigenous	283223324	96.22	253609472	92.13
<b>TOTAL</b>	<b>294353733</b>	<b>100.00</b>	<b>275266127</b>	<b>100.00</b>

#### 25.2 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF (Amount in ₹)

Particulars	2018-19	2017-18
Raw Materials and Chemicals	246692543	164153617
Stores, Consumables and Packing materials	10596490	10988159
Plant & Machinery	19748823	17380624

#### 25.3 PAYMENTS TO AUDITORS AS (Amount in ₹)

Particulars	2018-19	2017-18
Statutory & Tax Audit Fees	240000	220000
Reimbursement of Expenses	23742	27295
Cost Audit Fees	65000	65000
<b>TOTAL</b>	<b>328742</b>	<b>312295</b>

#### 25.4 EXPENDITURE IN FOREIGN CURRENCY: (Amount in ₹)

Particulars	2018-19	2017-18
Royalty, know-how, professional and consultation fee	-	-
Interest and other matters	-	-
Foreign Travelling	-	-
Machinery Spares including Advances	21159357	15623431
Machinery Purchase	12403275	9771386

### 26 EARNINGS PER SHARE (EPS) (Amount in ₹)

Particulars	2018-19	2017-18
i) Net Profit after tax as per Statement of profit and Loss attributable to Equity shareholders	402350565	382376619
ii) Weighted Average number of equity share used as denominator for calculating Basic EPS	23088626	22421804
iii) Basic Earning per share	17.43	17.05
iv) Weighted Average number of equity share used as denominator for calculating Diluted EPS as per treasury stock method	23088626	22682236
v) Diluted Earning per share	17.43	16.86
vi) Face Value per equity share	10.00	10.00

### 27 EARNINGS IN FOREIGN EXCHANGE (Amount in ₹)

Particulars	2018-19	2017-18
FOB value of exports	71063784	51349849

## Notes on Financial Statement for the period ended 31st March 2019

### 28 RELATED PARTY DISCLOSURES :

As per IND AS 24, the disclosure of transactions with the related parties are given below:

- i) List of related parties where control exists and related parties with whom transactions have taken place and relationship:

Name of Related Party	Relationship
Shri Umesh Chander Garg	Key Managerial Personnel
Shri Subhash Chander Garg	
Shri Jatinder Singh	
Shri Vipin Gupta	
Shri Vishav Sethi	
Shri Dalbir Singh	Independent Directors
Shri Avtar Singh Bajwa	
Shri Surinder Kumar Gupta	
Shri Swatantar Kumar Dewan	
MS Suhasini Yadav	Enterprises in which Key Managerial Personnel holds directorship
Sirmour Hotels (P) Ltd.	
Jasmer Foods (P) Ltd.	
RPL Employees Gratuity Fund	
Ruchira Charitable Trust	Post Employment Benefits Plans
Ruchira Packaging Products (P) Ltd.	Enterprises over which Key Management Personnel (KMP) is able to exercise significant influence or control
Ruchira Printing & Packaging.	
Jasmer Pack Ltd.	
Jasmer Packer	
Well Pack Industries	
York Cellulose (P) Ltd.	Enterprises of Relatives of Key Managerial Personnel
Smt. Parveen Garg	
Sh. Deepan Garg	
Sh. Jagdeep Singh	
Sh. Dajeet Singh Mandhan	
Sh. Lucky Garg	
Smt. Ruchica G Kumar	
Sh. Atul Garg	
Ms. Radhika Garg	

## Notes on Financial Statement for the period ended 31st March 2019

### 28 RELATED PARTY DISCLOSURES (contd.)

- ii a) Transactions during the year with related parties:  
(Excluding reimbursements)

(₹ in Lakhs)

	Sales of finished goods	Purchase of raw / packing material	Interest received for delayed on payments	Closing Balance
Ruchira Packaging Products (P) Ltd.	2065.22	248.17	10.88	87.34
	<i>1989.94</i>	<i>225.53</i>	<i>41.83</i>	<i>212.02</i>
Ruchira Printing & Packaging.	68.09	193.74	-	2.02
	<i>99.36</i>	<i>194.96</i>	-	-
Jasmer Pack Ltd.	3559.55	253.87	35.71	439.98
	<i>3205.95</i>	<i>206.47</i>	<i>64.33</i>	<i>604.27</i>
Jasmer Packer	935.15	35.38	17.71	180.15
	<i>935.65</i>	<i>69.98</i>	<i>13.57</i>	<i>45.33</i>
Well Pack	447.39	167.19	4.87	250.64
	<i>299.21</i>	<i>171.71</i>	<i>22.36</i>	<i>88.17</i>
Jasmer Foods Pvt Ltd.	-	50.15	-	24.91
	-	-	-	-
York Cellulose Pvt. Ltd.	-	5.13	-	1.31
	-	<i>4.69</i>	-	-

Note :Figures in italic represents previous year's amount.

- ii b) Transactions during the year with Key Managerial Personnel:

(₹ in Lakhs)

Particulars	Salary and Allowances		Reimbursements	
	2018-19	2017-18	2018-19	2017-18
Shri Umesh Chander Garg	230.40	211.20	18.74	10.92
Shri Subhash Chander Garg	230.40	211.20	41.05	23.66
Shri Jatinder Singh	230.40	211.20	26.67	42.70
Shri Vipin Gupta	48.53	41.63	1.58	1.89
Shri Vishav Sethi	12.87	10.93	0.44	1.03

- ii c) Transactions during the year with the Relatives of Key Managerial Personnel holding office or place of profit.

(₹ in Lakhs)

Particulars	Salary and Allowances		Reimbursements	
	2018-19	2017-18	2018-19	2017-18
Smt. Parveen Garg	55.20	52.61	19.01	0.58
Sh. Deepan Garg	55.20	52.61	7.69	6.73
Sh. Jagdeep Singh	55.20	52.61	18.70	9.23
Sh. Dajeet Singh Mandhan	55.20	52.61	4.57	3.52
Sh. Lucky Garg	55.20	52.61	0.21	-
Sh. Atul Garg	55.20	52.61	2.71	1.41
Smt Ruchica G Kumar	55.20	52.61	2.90	3.02
Ms. Radhika Garg	55.20	52.61	12.81	2.17



## Notes on Financial Statement for the period ended 31st March 2019

### 28 RELATED PARTY DISCLOSURES (contd.)

ii d) Transactions during the year with Independent Directors.

(₹ in Lakhs)

Particulars	Reimbursements		Sitting Fees	
	2018-19	2017-18	2018-19	2017-18
Shri Dalbir Singh	-	-	1.00	1.20
Shri Avtar Singh Bajwa	0.03	0.03	1.00	1.20
Shri Surinder Kumar Gupta	0.04	0.03	1.00	1.20
Shri Swatantar Kumar Dewan	0.03	0.03	1.00	1.20
Ms. Suhasini Yadav	-	-	1.00	1.20

### 29 SEGMENT INFORMATION

Primary segment information:

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

Secondary segment information:

(Amount in ₹)

Particulars	2018-19	2017-18
Segment Revenue		
India	4818942803	4427058658
Overseas	128964378	88873017
TOTAL	4947907181	4515931675

### 30 CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in Lakhs)

Particulars	As at 31st March 2019	As at 31st March 2018
<b>Contingent Liabilities</b>		
(A) Claims against the Company/disputed liabilities not acknowledged as debts		
In respect of Excise Duty demand raised, which in the opinion of the Management are not tenable and are under appeal at Custom, Excise & Service Tax Appellate Tribunal, New Delhi.	Nil	Nil
(B) Guarantees		
Outstanding guarantees furnished to various banks in respect of the guarantees given by those banks in favour of various government authorities and others including Letters of Credits	205.24	216.04
<b>Commitments</b>		
(A) Estimated amount of contracts remains to be executed on capital account (Net of advances)	-	-

The previous year figures have been regrouped/reclassified, wherever necessary to confirm to the current year presentation.

## Notice

NOTICE is hereby given that the 39th ANNUAL GENERAL MEETING of Members of RUCHIRA PAPERS LIMITED will be held on Wednesday, 25th September 2019 at 11.15 AM at Hotel Black Mango, Nahan Road, Kala-Amb, District Sirmaur, Himachal Pradesh-173030 to transact the following business:

### ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended 31st March 2019 together with the reports of Board of Directors and Independent Auditors thereon.
2. To declare a dividend on equity shares for the financial year ended 31st March 2019.
3. To appoint a Director in place of Mr. Vipin Gupta (DIN:05107366), who retires by rotation and, being eligible, offers himself for re-appointment.

### SPECIAL BUSINESS:

4. To ratify the remuneration of Cost Auditors for the financial year ending 31st March 2020 and in this regard, to consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED THAT pursuant to the provisions of section 148 and other applicable provisions of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (Including any statutory modification(s) or re-enactment thereof, for the time being in force), the company hereby ratifies remuneration of ₹70,000/- (₹Seventy Thousand Only) plus applicable taxes and out of pocket expenses incurred in connection with the cost audit, payable to M/S Sanjay Kumar Garg & Associates, Cost Accountants, re-appointed as Cost Auditors by the Board of Directors of the Company, to conduct the audit of the cost records maintained by the Company for the financial year ending 31st March 2020.”

5. To fix the managerial remuneration of Mr. Vipin Gupta, CFO & Executive Director and In this regard, to consider and, if thought fit, to pass the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 197 read with Part I and Section II of Part II of Schedule V and other applicable provisions, if any, of the Companies Act, 2013, applicable clauses of the Articles of Association of the Company, pursuant to recommendation of the Nomination & Remuneration Committee, and subject to other requisite approvals, if any, the approval of the members be and is hereby

accorded to fix the managerial remuneration of Mr. Vipin Gupta, CFO & Executive Director of the Company, w.e.f 1st June 2019 for the period of One Year i.e up to 31st May 2020 on such terms and conditions including remuneration, in case of absence of profits or if the Company has inadequate profits, as stated below:

- Basic Pay: ₹4,10,000/- P.M (₹Four lakh and Ten Thousand Only)  
(Proposed increase from ₹3,60,000/- to ₹4,10,000/)
- HRA @ 15% per month of the Basic Pay.
- Telephone: Mobile/Telephone facility as per Company's rules.
- Leave encashment as per Company's rules.
- Conveyance: Company's Car with Driver for Official Use.
- Reimbursement of expenses incurred for the business of the Company as per Company's rules. In addition to the above remuneration, he shall also be entitled to the following benefits which shall not be counted for the purpose of Ceiling as per Section II of Part II of Schedule V.
- Employees' Provident Fund: Company's Contribution towards Employees' Provident Fund as per the Employees' Provident Fund Act.
- Gratuity: Payable at a rate not exceeding half a month's salary for each completed year of service as per provisions of payment of gratuity Act, 1972.

Notwithstanding anything contrary contained herein, where in any financial year during the currency of tenure of Mr. Vipin Gupta, the Company has no profits or its profits are inadequate, the Company will pay remuneration not exceeding the higher of the limits under paragraph (A) as laid down under Section II of Part II of Schedule V to the Companies Act, 2013.

**RESOLVED FURTHER THAT** Board of Directors and/or Nomination & Remuneration Committee is hereby further authorized to alter and vary the terms and conditions from time to time including designation subject to the applicable provisions of the Companies Act, 2013 and within the overall limits approved by the Shareholders of the Company.

**RESOLVED FURTHER THAT** any one of the Directors of the Company and/or Company Secretary be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things as may be required to give effect to this resolution.”

6. To re-appoint Mr. Dalbir Singh as an Independent Director and in this regard, to consider and, if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force), any other applicable law(s), regulation(s), guideline(s), Mr. Dalbir Singh (DIN 01538540), who was appointed as an Independent Director and holds office up to 24th September 2019, being eligible and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years with effect from 25th September 2019 to 24th September 2024 on the Board of the Company.

**RESOLVED FURTHER THAT** any one of the Directors of the Company and/or Company Secretary be and are hereby severally authorized to file E-Form with the Registrar of Companies and for intimating the same to any other authority."

7. To re-appoint Mr. Avtar Singh as an Independent Director and in this regard, to consider and, if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force), any other applicable law(s), regulation(s), guideline(s), Mr. Avtar Singh (DIN 01605978), who was appointed as an Independent Director and holds office up to 24th September 2019, being eligible and in respect of whom the Company has received a notice in writing under Section 160 of

the Act from a member proposing his candidature, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years with effect from 25th September 2019 to 24th September 2024 on the Board of the Company.

**RESOLVED FURTHER THAT** any one of the Directors of the Company and/or Company Secretary be and are hereby severally authorized to file E-Form with the Registrar of Companies and for intimating the same to any other authority."

8. To re-appoint Mr. Swatantar Kumar Dewan as an Independent Director and in this regard, to consider and, if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force), any other applicable law(s), regulation(s), guideline(s), Mr. Swatantar Kumar Dewan (DIN 00427404), who was appointed as an Independent Director and holds office up to 24th September 2019, being eligible and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years with effect from 25th September 2019 to 24th September 2024 on the Board of the Company, including the period when he shall attain 75 Years of age.

**RESOLVED FURTHER THAT** any one of the Directors of the Company and/or Company Secretary be and are hereby severally authorized to file E-Form with the Registrar of Companies and for intimating the same to any other authority."

9. To re-appoint Mr. Surinder Kumar Gupta as an Independent Director and in this regard, to consider and, if thought fit, to pass the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other

applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force), any other applicable law(s), regulation(s), guideline(s), Mr. Surinder Kumar Gupta (DIN 01108489), who was appointed as an Independent Director and holds office up to 24th September 2019, being eligible and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years with effect from 25th September 2019 to 24th September 2024 on the Board of the Company.

**RESOLVED FURTHER THAT** any one of the Directors of the Company and/or Company Secretary be and are hereby severally authorized to file E-Form with the Registrar of Companies and for intimating the same to any other authority."

10. To re-appoint Mrs. Suhasini Yadav as an Independent Director and in this regard, to consider and, if thought fit, to pass the following resolution as a Special Resolution:

"**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment

and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s), clarification(s), substitution(s) or re-enactment(s) thereof for the time being in force), any other applicable law(s), regulation(s), guideline(s), Mrs. Suhasini Yadav (DIN 06925910), who was appointed as an Independent Director and holds office up to 24th September 2019, being eligible and in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing her candidature, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years with effect from 25th September 2019 to 24th September 2024 on the Board of the Company.

**RESOLVED FURTHER THAT** any one of the Directors of the Company and/or Company Secretary be and are hereby severally authorized to file E-Form with the Registrar of Companies and for intimating the same to any other authority."

Place: Kala-Amb (HP)  
Date: 12th August 2019

By order of the Board  
For Ruchira Papers Limited

**Registered Office:**  
Tirlokpur Road, Kala Amb  
Distt: Sirmaur, H.P-173030  
CIN: L21012HP1980PLC004336  
Website: www.ruchirapapers.com

**Vishav Sethi**  
Company Secretary

## NOTES:-

1. THE EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 ("the Act"), RELATING TO THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING IS ANNEXED HERETO.
2. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE AGM IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The instrument appointing the proxy, in order to be effective, must be deposited at the Company's Registered Office, duly completed and signed, not less than FORTY-EIGHT HOURS before the meeting. Proxies submitted on behalf of limited companies, societies etc., must be supported by appropriate resolutions/authority, as applicable. A person can act as proxy on behalf of the Members not exceeding fifty (50) and holding in the aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder. The proxy holder shall prove his Identity at the time of attending the Meeting.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Thursday, 19th September 2019 to Wednesday, 25th September 2019 (both days inclusive).

4. Documents referred to in the Notice and Explanatory Statement is 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. up to date of the Annual General Meeting.
5. Members may also note that the Notice of the 39th Annual General Meeting and the Annual Report for 2018-19 will also be available on the Company's website [www.ruchirapapers.com](http://www.ruchirapapers.com). The Notice of AGM shall also be available on the website of Link Intime India Private Limited <https://instavote.linkintime.co.in>.
6. If the dividend, as recommended by the Board of Directors is approved at the AGM, payment of such dividend will be made on or after Friday, 4th October 2019 as under:
  - a) To all the beneficial owners in respect of shares held in dematerialized form as per the data made available by the NSDL and CDSL as on the close of business hours on Wednesday, 18th September 2019;
  - b) To all members in respect of shares held in physical form after giving effect to valid transfers in respect of transfer requests lodged with the Company on or before the close of business hours on 18th September 2019;
7. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Transfer Agent, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to the Company/RTA.
8. Members desirous of getting any information on Accounts or other items of Agenda are requested to forward his/her queries to the Company at least three working days prior to the date of Annual General Meeting so as to enable the Management to keep information ready.
9. 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 Annual General Meeting.
10. Pursuant to Section 72 of the Companies Act, 2013 read with rule 19(1) of the Rules made thereunder, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form-SH-13, which is also available on the website of the Company.
11. In the case of Joint holders attending the meeting, only such joint holder who is higher in order of names will be entitled to vote.
12. 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 may kindly be delivered at the entrance of the meeting hall.
13. Details under Regulation 36(3) of the Listing Regulations and SS-2 in respect of the directors seeking appointment/re-appointment at the Annual General Meeting (AGM), forms integral part of the Notice. The directors have furnished their requisite declarations for their appointment/re-appointment.
14. The Notice of the AGM along with the Annual Report for F.Y 2018-19 is being sent by electronic mode to those members whose e-mail addresses are with the Depositories, unless any Member has requested for a physical copy of the same. For members who have not registered their e-mail addresses, physical copies are being sent by the permitted mode.
15. To Support the 'Green initiative', the Members who have not registered their e-mail addresses are requested to register the same with the RTA/Depositories.
16. During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged with the Company, at any time during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
17. In case the dividend has remained un-claimed for any of the financial year's, the shareholders may approach the Company with their dividend warrants for revalidation/ with the letter of undertaking for issue of revalidated/ duplicate dividend warrants respectively.
18. Pursuant to provisions of Investor Education and Protection Fund (Uploading of Information regarding unpaid and unclaimed amounts lying with Companies) Rules, 2012, the Company has uploaded details of unpaid and unclaimed amounts lying as on 28.09.2018

(date of last Annual General Meeting) on website of the Company, as also with Ministry of Corporate Affairs. Furthermore, in terms of Section 124(6) of the Companies Act, 2013 read with Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, (as amended from time to time) shares on which dividend remains unpaid or unclaimed for a period of seven consecutive years or more shall be credited to the Demat Account of Investor Education and Protection Fund Authority (IEPFA) within a period of thirty days of such shares becoming due to be so transferred. Upon transfer of such shares, all benefits, if any, accruing on such shares shall also be credited to such Demat Account and the voting rights on such shares shall remain frozen till the rightful owner claims the shares. Shares which are transferred to the Demat Account of IEPFA can be claimed back by the shareholder from IEPFA by following the procedure prescribed under the aforesaid rules. Therefore it is in the interest of the shareholders to regularly claim the dividends declared by the Company. The details of unpaid dividend(s) along with its due dates for transfer to IEPF Is provided under the Corporate Governance report annexed with the Annual Report. During the year, the Company was not required to transfer any amount to the Investor Education and Protection Fund.

19. E-voting: In compliance with the provisions of section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, and Regulation 44 of the Listing Regulations, the Company is pleased to provide members facility to exercise their right to vote by electronic means and the business may be transacted through e-voting services provided by the Link Intime India Private Limited (LI IPL).

The facility for voting through ballot paper shall also be made available at the meeting and members attending the meeting who have not already cast their vote by remote e-voting shall be able to exercise their right at the meeting. The Members who have cast their vote by remote e-voting prior to the Meeting may also attend the AGM but shall not be entitled to cast their vote again.

The voting period begins on Sunday, 22nd September 2019 (9.00 a.m) and ends on Tuesday, 24th September 2019 (5.00 p.m). During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the close of working hours on Wednesday, 18th September 2019 ('Cut-off date') may cast their vote electronically. The e-voting module shall be disabled by LI IPL for voting thereafter.

#### Instructions for shareholders to vote electronically:

- **Log-in to e-Voting website of Link Intime India Private Limited (LI IPL)**
- 1. Visit the e-voting system of LI IPL. Open web browser by typing the following URL: <https://instavote.linkintime.co.in>.
- 2. Click on "Login" tab, available under 'Shareholders' section.
- 3. Enter your User ID, password and image verification code (CAPTCHA) as shown on the screen and click on "SUBMIT".
- 4. Your User ID details are given below:
  - a. **Shareholders holding shares in demat account with NSDL:** Your User ID is 8 Character DP ID followed by 8 Digit Client ID
  - b. **Shareholders holding shares in demat account with CDSL:** Your User ID is 16 Digit Beneficiary ID
  - c. **Shareholders holding shares in Physical Form (i.e. Share Certificate):** Your User ID is Event No + Folio Number registered with the Company
- 5. Your Password details are given below:

If you are using e-Voting system of LI IPL: <https://instavote.linkintime.co.in> for the first time or if you are holding shares in physical form, you need to follow the steps given below:

Click on "Sign Up" tab available under 'Shareholders' section register your details and set the password of your choice and confirm (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter).



	For Shareholders holding shares in Demat Form or Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (applicable for both demat shareholders as well as physical shareholders).</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with depository Participant or in the company record are requested to use the sequence number which is printed on Ballot Form / Attendance Slip indicated in the PAN Field.</li> </ul>
DOB/ DOI	Enter the DOB (Date of Birth)/ DOI as recorded with depository participant or in the company record for the said demat account or folio number in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio number.</p> <ul style="list-style-type: none"> <li>Please enter the DOB/ DOI or Dividend Bank Details in order to register. If the above mentioned details are not recorded with the depository participants or company, please enter Folio number in the Dividend Bank Details field as mentioned in instruction (iv-c).</li> </ul>

If you are holding shares in demat form and had registered on to e-Voting system of LIPL: <https://instavote.linkintime.co.in>, and/or voted on an earlier voting of any company then you can use your existing password to login.

**If Shareholders holding shares in Demat Form or Physical Form have forgotten password:**

Enter User ID, select Mode and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

Incase shareholder is having valid email address, Password will be sent to the shareholders registered e-mail address. Else, shareholder can set the password of his/her choice by providing the information about the particulars of the Security Question & Answer, PAN, DOB/ DOI, Dividend Bank Details etc. and confirm. (The password should contain minimum 8 characters, at least one special character, at least one numeral, at least one alphabet and at least one capital letter)

**NOTE:** The password is to be used by demat shareholders for voting on the resolutions placed by the company in which they are a shareholder and eligible to vote, provided that the company opts for e-voting platform of LIPL.

For shareholders holding shares in physical form, the details can be used only for voting on the resolutions contained in this Notice.

It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

**• Cast your vote electronically**

- After successful login, you will be able to see the notification for e-voting on the home page of INSTA Vote. Select/ View "Event No" of the company, you choose to vote.
- On the voting page, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.

Cast your vote by selecting appropriate option i.e. Favour/Against as desired.

Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/Against'. You may also choose the option 'Abstain' and the shares held will not be counted under 'Favour/Against'.

- If you wish to view the entire Resolution details, click on the 'View Resolutions' File Link.
- After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "YES", else to change your vote, click on "NO" and accordingly modify your vote.
- Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- You can also take the printout of the votes cast by you by clicking on "Print" option on the Voting page.

**• General Guidelines for shareholders:**

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'.

They are also required to upload a scanned certified true copy of the board resolution / authority letter/power of attorney etc. together with attested specimen signature of the duly authorized representative(s) in PDF format in the



'Custodian / Mutual Fund / Corporate Body' login for the Scrutinizer to verify the same.

- During the voting period, shareholders can login any number of time till they have voted on the resolution(s) for a particular "Event".
- Shareholders holding multiple folios/demat account shall choose the voting process separately for each of the folios/demat account.
- In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under Help section or write an email to [enotices@linkintime.co.in](mailto:enotices@linkintime.co.in) or Call us :- Tel : 022 - 49186000.

**Other Instructions:**

- (i) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on Cut-off Date.
- (ii) Mr. Sanjay Kumar Garg of M/S Sanjay Kumar Garg & Co, Cost Accountants, who has consented to act as the scrutinizer and is available for the purpose of ascertaining the requisite majority, has been appointed as the scrutinizer to scrutinize the remote e-voting process/ballot/ poll in a fair and transparent manner.

(iii) The Chairman shall, at the Meeting, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot or polling paper for all those Members who are present at the Meeting but have not cast their votes by availing the remote e-voting facility.

(iv) Scrutinizer shall, immediately after the conclusion of the Meeting will first count the votes cast at the Meeting and thereafter unblock the votes in the presence of at least two witnesses not in the employment of the Company and within a period not exceeding 48 hours from the conclusion of the Meeting make a Consolidated Scrutinizer's Report of the votes cast in favour or against, if any, to the Chairman of the Company or any other person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

(v) The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.ruchirapapers.com](http://www.ruchirapapers.com) and on the website of LIIPL at <https://instavote.linkintime.co.in>, immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to the BSE Limited and National Stock Exchange of India Limited.

## EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

### ITEM NO. 4:

The Board on the recommendation of the Audit Committee has approved the re-appointment and remuneration of M/S Sanjay Kumar Garg & Associates as Cost Auditors to conduct the audit of the Cost records of the Company for the financial year ending 31st March 2020.

In accordance with the provisions of section 148 of the Act read with the Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, ratification by the members is sought for the remuneration payable to the Cost Auditors for the financial year ending 31st March 2020 by passing an Ordinary Resolution as set out at Item No. 4 of the Notice.

None of the Directors and/or Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise in the resolution set out at Item No. 4 of the notice.

The Board recommends Ordinary Resolution set forth at Item No. 4 of the notice for ratification by the members.

### ITEM NO. 5:

Mr. Vipin Gupta was re-appointed as Whole Time Director of the Company at the Annual General Meeting of the Company held on 30th September 2016, for the period of five years w.e.f 1st November 2016. He was also appointed as Chief Financial Officer of the Company by the Board on dated 28.05.2014. He is presently designated as CFO & Executive Director of the Company. The Remuneration payable to Mr. Vipin Gupta is decided annually.

The Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee at their meeting held on 27th May 2019, subject to approval of members, fixed the remuneration payable to Mr. Vipin Gupta for the period of One Year effective from 1st June 2019. The detail of remuneration is mentioned in the resolution itself.

Brief particulars pursuant to Regulation 36(3) of the Listing Regulations and additional information to be given to Members in terms of Secretarial Standards on General Meetings (SS-2), of Mr. Vipin Gupta is given in Annexure to the AGM Notice.

As per the proviso to Section 102(2) of the Companies Act, 2013, it is clarified that the proposed Resolution does not relate to or affect any other Company.

Information required to be disclosed under the Second Proviso to Section II(B), Part II of Schedule V of the Companies Act, 2013 is as follows:

- (i) the proposed remuneration has been approved by Nomination and Remuneration Committee and the Board;
- (ii) the Company has not defaulted in repaying any of its debts or interest payable for a continuous period of thirty days in the preceding financial year before the date of revision/re-appointment;
- (iii) a Special Resolution is being passed at the forthcoming Annual General Meeting for payment of the remuneration for a period not exceeding One year;
- (iv) a statement containing further information is set out in the Annexure to the Notice.

Mr. Vipin Gupta is concerned and interested in the resolution no. 5. The relatives of Mr. Vipin Gupta may be deemed to be interested in the resolution set out at Item No. 5 of the Notice, to the extent of their shareholding Interest, If any in the Company.

Save and except the above, none of the other Directors and the Key Managerial Personnel of the Company and their respective relatives are, in any way, concerned or interested in the passing of the above resolution.

The Board recommends Special Resolution set forth at Item No. 5 of the notice for approval by the members.

### ITEM NO. 06 to 10:

Mr. Dalbir Singh, Mr. Avtar Singh, Mr. Swatantar Kumar Dewan, Mr. Surinder Kumar Gupta and Mrs. Suhasini Yadav were appointed as Independent Directors of the Company by the members at the 34th Annual General Meeting of the Company held on 25th September 2014 for a period of five consecutive years commencing from 25th September 2014 up to 24th September 2019.

As per Section 149(10) of the Act, an Independent Director shall hold office for a term of up to five consecutive years on the Board of a Company, but shall be eligible for re-appointment on passing a special resolution by the Company for another term of five consecutive years on the Board of a Company.

Based on recommendation of Nomination and Remuneration Committee and in terms of the provisions of Sections 149, 150, 152 read with Schedule IV and any other applicable provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of the Company at its meeting held on 12th August 2019 recommended for approval of the members, the re-appointment of above Independent Directors for second term of five consecutive

years commencing from 25th September 2019 to 24th September 2024. The above Independent Directors are eligible for re-appointment as an Independent Director and have offered themselves for re-appointment.

The Company has received declaration from them stating that they are not disqualified from being appointed as a director in terms of Section 164 of the Companies Act, 2013 and that they meets the criteria of Independence as prescribed under sub-section (6) of Section 149 of the Companies Act, 2013 and Regulation 16 (1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. They have also given their consent to continue to act as Director of the Company, if so appointed by the members.

In the opinion of the Board, all independent Directors fulfill the conditions specified under Section 149 (6) of the Act, the Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for their reappointment as an Independent Non-Executive Director of the Company and is independent of the management. Copy of the draft letter for appointment as an Independent Director setting out terms and conditions would be available for inspection without any fee by the members at the Registered Office of the Company during normal business hours (9:00 am to 5:00 pm) on any working day, except Saturday, upto and including the date of AGM of the Company.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail their services as an Independent Director given their knowledge, experience, performance and contribution to Board by them.

Accordingly, the Board recommends passing of the Special Resolutions at Item Nos. 06 to 10 in relation to re-appointment of Mr. Dalbir Singh, Mr. Avtar Singh, Mr. Swatantar Kumar Dewan, Mr. Surinder Kumar Gupta and

Mrs. Suhasini Yadav as an Independent Director for another term of five consecutive years commencing from 25th September 2019 to 24th September 2024, for the approval by the shareholders of the Company. Further, pursuant to Regulation 17 of the Listing Regulations, 2015, consent of the members by way of Special Resolution is also required for continuation of a Non-Executive Director beyond the age of Seventy Five Years. During the proposed terms of re-appointment, Mr. Swatantar Kumar Dewan will attain the age of Seventy Five Years. Whereas Mr. Dalbir Singh and Mr. Avtar Singh has already attained the age of Seventy Five Years. Thus the Special Resolutions under item nos. 06 to 08, once passed, shall also be deemed as your approval under the Listing Regulations, 2015, for continuation as Independent Directors beyond the age of Seventy Five Years.

Mr. Dalbir Singh, Mr. Avtar Singh, Mr. Swatantar Kumar Dewan, Mr. Surinder Kumar Gupta and Mrs. Suhasini Yadav, and their relatives, are interested in the Special Resolutions relating to their respective re-appointments.

Save and except the above, none of the other Directors or Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested in these resolutions.

The Board recommends Special Resolution(s) set forth at Item Nos. 6 to 10 of the notice for approval by the members.

Place: Kala-Amb (HP)  
Date: 12th August 2019

By order of the Board  
For Ruchira Papers Limited

**Registered Office:**  
Tirlokpur Road, Kala Amb  
Distt: Sirmaur, H.P-173030  
CIN: L21012HP1980PLC004336  
Website: www.ruchirapapers.com

**Vishav Sethi**  
Company Secretary

## INFORMATION PURSUANT TO SS-2 OF SECRETARIAL STANDARDS ON GENERAL MEETING AND REGULATION 36(3) OF THE LISTING REGULATIONS REGARDING APPOINTMENT OR RE-APPOINTMENT OF THE DIRECTORS AND/OR FIXATION OF REMUNERATION AT THE FORTHCOMING ANNUAL GENERAL MEETING.

Name of Director	Mr. Vipin Gupta	Dalbir Singh	Avtar Singh
Director Identification Number	05107366	01538540	01605978
Category	Executive, Professional	Non-Executive, Independent	Non-Executive, Independent
Nationality	Indian	Indian	Indian
Date of Birth	25.05.1969	21.06.1936	12.06.1944
Date of first appointment	01.11.2011	24.09.2004	24.09.2004
Brief Profile and Expertise in Specific functional area	Mr. Vipin Gupta aged 50 years, presently designated as CFO & Executive Director and is looking Finance, Accounts and taxation of the Company. He is associated with the Company for the previous 30 Years. He is a Post Graduate in Commerce.	Mr. Dalbir Singh aged 83 years, is a Law Graduate and associated with the Company as Independent Director. He is retired from post of Executive Director of the Yamuna Syndicate Limited. He is having expertise in administration/ management and finance.	Mr. Avtar Singh aged 75 years is a Graduate and associated with the Company as Independent Director. He is a retired army officer with more than 30 years' experience in Material Management and Civil Personnel Management
Chairman/ Member of committees of the Board of Companies of which he is a director	Ruchira Papers Limited: Member: Corporate Social Responsibility Committee, Allotment Committee	Ruchira Papers Limited Chairman: Audit Committee, Nomination & Remuneration Committee	Ruchira Papers Limited Chairman: Allotment Committee Member: Audit Committee, Nomination & Remuneration Committee
Shareholding as on 31.03.2019	22742 Equity Shares	100 Equity Shares	100 Equity Shares
Last Remuneration Drawn (Including sitting fees, if any) paid as on 31.03.2019.	₹48.53 lakh paid during the year 2018-19 (For remuneration details please refer Corporate Governance Report.)	₹1.00 lakh paid as Sitting Fees during the year 2018-19.	₹1.00 lakh paid as Sitting Fees during the year 2018-19.
Terms and Conditions of Appointment/Re-appointment	₹4.10 lakh P.M Plus 15% (HRA) plus other benefits as mentioned in the Item No. 05 of the Notice.	Entitled for Sitting Fees.	Entitled for Sitting Fees.
Relationship with other Directors/KMP inter-se	N.A	N.A	N.A
Number of Meeting of Board attended during the year and other directorship etc.	Please refer "Report on Corporate Governance" forming part of this Annual Report.	Please refer "Report on Corporate Governance" forming part of this Annual Report.	Please refer "Report on Corporate Governance" forming part of this Annual Report.

Name of Director	Swatantar Kumar Dewan	Surinder Kumar Gupta	Mrs. Suhasini Yadav
Director Identification Number	00427404	01108489	06925910
Category	Non-Executive, Independent	Non-Executive, Independent	Non-Executive, Independent
Nationality	Indian	Indian	Indian
Date of Birth	11.11.1946	20.11.1953	07.03.1972
Date of first appointment	13.08.2005	24.09.2004	25.09.2017
Brief Profile and Expertise in Specific functional area	<p>Mr. Swatantar Kumar Dewan, aged 73 years is a B.Sc (Engg.) Hons. (Mechanical) and is associated with the Company as Independent Director. He is Fellow Member of</p> <p>(i) The Institute of Engineers (ii) The Institution of Valuers and (iii) The Indian Council for Arbitration. He is a retired from Uttar Haryana Bijli Vitran Nigam Limited as Director (Operations) where he served from 1968 to 2004.</p>	<p>Mr. Surinder Kumar Gupta, aged 66 years is a Chartered Accountant and associated with the Company as Independent Director. He is a practicing Chartered Accountant having expertise in the field of Accounts, Finance and Taxation since 1983.</p>	<p>Mrs. Suhasini Yadav, aged 47 years is associated with the Company as Independent Director. She is actively involved in the social areas of the society. She has inspired and led the implementation of many path breaking initiatives spanning education, health and environmental protection.</p>
Chairman/ Member of committees of the Board of Companies of which he is a director	<p>Ruchira Papers Limited</p> <p>Chairman: Stakeholders Relationship Committee</p>	<p>Ruchira Papers Limited</p> <p>Chairman: CSR Committee</p> <p>Member: Audit Committee, Nomination &amp; Remuneration Committee</p>	<p>Ruchira Papers Limited</p> <p>Member: Allotment Committee</p>
Shareholding as on 31.03.2019	100 Equity Shares	100 Equity Shares	100 Equity Shares
Last Remuneration Drawn (Including sitting fees, if any) paid as on 31.03.2019.	₹1.00 lakh paid as Sitting Fees during the year 2018-19.	₹1.00 lakh paid as Sitting Fees during the year 2018-19.	₹1.00 lakh paid as Sitting Fees during the year 2018-19.
Terms and Conditions of Appointment/Re-appointment	Entitled for Sitting Fees.	Entitled for Sitting Fees.	Entitled for Sitting Fees.
Relationship with other Directors/KMP inter-se	N.A	N.A	N.A
Number of Meeting of Board attended during the year and other directorship etc.	Please refer "Report on Corporate Governance" forming part of this Annual Report.	Please refer "Report on Corporate Governance" forming part of this Annual Report.	Please refer "Report on Corporate Governance" forming part of this Annual Report.

## STATEMENT PURSUANT TO PROVISION TO SCHEDULE V (PART II SECTION II (A) (CLAUSE IV)) OF THE COMPANIES ACT, 2013

### I. GENERAL INFORMATION

1.	Nature of Industry	Paper Industry: The Company is engaged in the manufacturing of Writing & Printing Paper which is used for manufacturing of Note Books, Publications etc and Kraft Paper which is used as a Raw Material in Packaging Industry.			
2.	Date of commencement of commercial production	The Company is engaged in production of Kraft Paper since 1983 and of Writing and Printing Paper since 2008.			
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus.	Not Applicable			
4.	Financial performance based on given indicators.	The Financial Results for the last three years are as follows:			
		<b>Particulars</b>	<b>2018-19 (₹ In Lakhs)</b>	<b>2017-18 (₹ In Lakhs)</b>	<b>2016-17 (₹ In Lakhs)</b>
		Sales	49399.04	44760.15	41737.58
		PBT	6241.93	5830.97	4643.57
		PAT	4023.50	3801.66	3249.55
		Dividend proposed/Paid	22.5%	22.5%	22.5%
5.	Export Performance and Net Foreign Exchange Collection	During the year 2018-19, Foreign Exchange earnings were ₹7.11 Crore.			
6.	Foreign investments or collaborators, if any.	Nil			

### II. INFORMATION ABOUT THE APPOINTEE/ EXISTING MANAGERIAL PERSONNEL TO WHOM INCREASED REMUNERATION IS PROPOSED:

		Mr. Vipin Gupta, CFO & Executive Director
1.	Background Details	Mr. Vipin Gupta, aged 50 Years is working as professional Whole Time Director With the Company. He is looking the Finance, Accounts and Taxation of the Company. He is associated with the Company for the previous 30 Years.
2.	Past Remuneration	₹48.53 lakh paid during the year 2018-19 (For remuneration details please refer Corporate Governance Report.)
3.	Recognition or awards.	-
4.	Job Profile and his suitability.	As per (1) above
5.	Remuneration proposed.	As set out in the resolution at Item No. 05 of the Notice of the AGM.
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).	The remuneration proposed to be paid to the Director is comparable with the remuneration being paid for similar assignments in the Industry.
7.	Pecuniary relationship directly or indirectly with the Company, or relationship with managerial personnel, if any.	Beside the Remuneration Proposed and holding of 22742 equity shares, no pecuniary relationship with the Company

### III. OTHER INFORMATION:

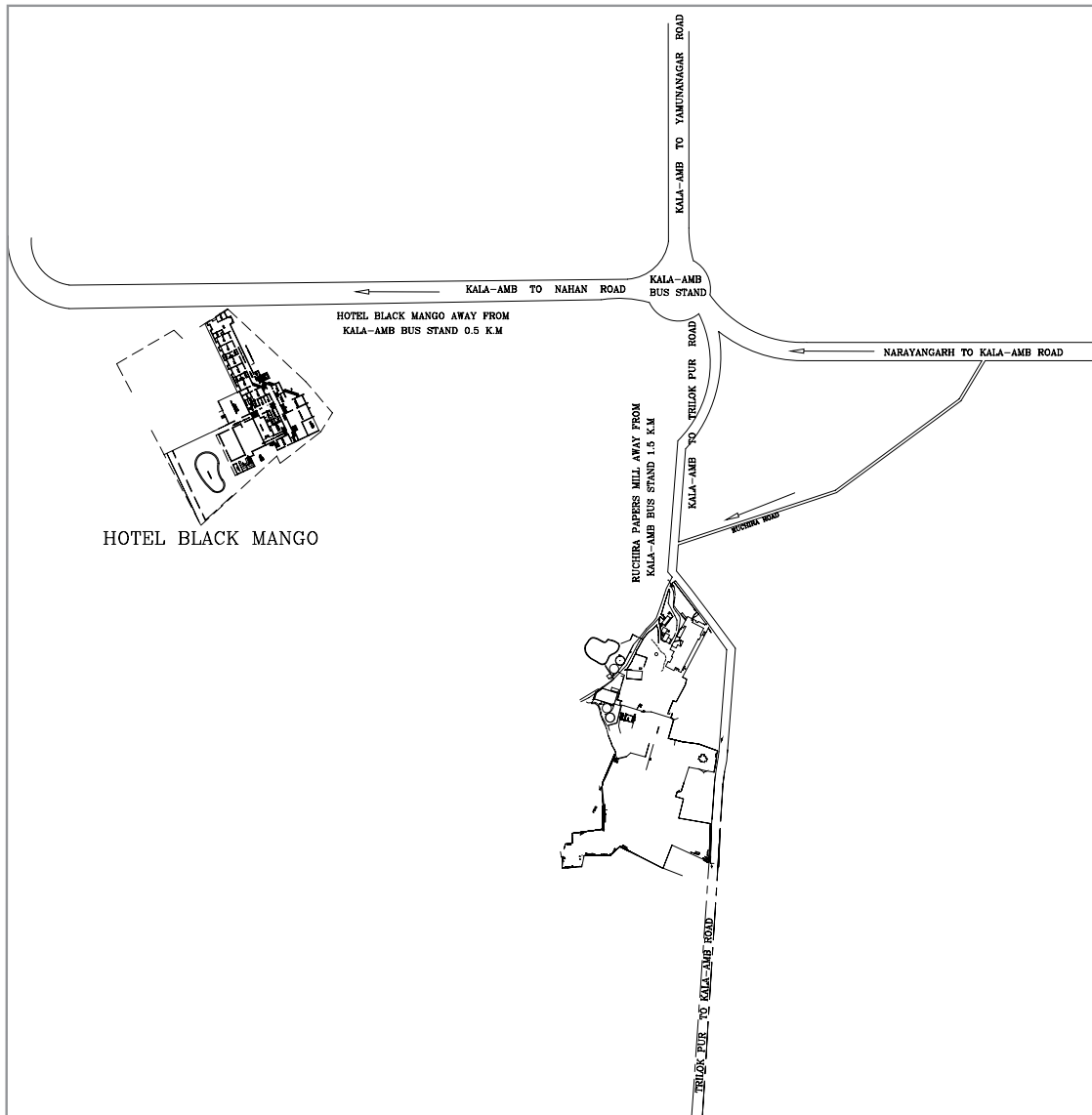
1.	Reasons of inadequate profits	During the Financial Year ended 31st March 2019, the Company did not have adequate profits for payment of managerial remuneration under section 197 and Schedule V of the Companies Act, 2013. The profitability and production has increased during the year but the remuneration proposed does not fall under the limits as specified under section 197 resulted inadequacies of profits during the F.Y. 2018-19.
2.	Steps taken or proposed to be taken for improvement	The Company continued its growth journey through expansions and setting up of Writing & Printing Paper unit in 2008. The Company is showing consistent growth in topline and volume. During the year, the Company achieved turnover of ₹493.99 Crore as against turnover of ₹447.60 Crore during the previous FY 2017-18 and registered a growth of 10.36%. Further the Company has taken several initiatives like improvement of efficiency parameters, and building a formidable branding position, which is likely to hold the Company in good stead for coming years.
3.	Expected increase in productivity and profits in measurable terms	During the year 2018-19, the Kraft Paper Production was 77287 MT and Writing and Printing Paper production was 51544 MT. The same is likely to increase in 2019-20. The profits are also likely to increase alongside with the production.
4.	Stock Option Details if any.	N.A

### IV. DISCLOSURE

1.	Remuneration Package	Disclosure of the remuneration package is part of this notice being sent to shareholders.
2.	Details of Fixed Component and performance linked incentives along with the performance criteria.	All components of the remuneration package are fixed. No performance linked incentives to be given.
3.	Service Contracts, Notice Period, Severance fees etc.	For 5 years. Notice period-30 days
4.	Stock Option Details if any.	N.A



## AGM VENUE ROUTE MAP





## Ruchira Papers Limited

CIN: L21012HP1980PLC004336

Regd. Office: Tirlokpur Road, Kala Amb, Himachal Pradesh-173030

Phone: 91-8053800897, Email- investor@ruchirapapers.com

### ATTENDANCE SLIP

(To be presented at the entrance)

39th Annual General Meeting on Wednesday, 25th September 2019 at 11.15 AM.

I hereby record my presence at the 39th Annual General Meeting of the Company being held at Hotel Black Mango, Nahan Road, Kala-Amb, Distt. Sirmour (H.P.) 173030 on Wednesday, 25th September 2019 at 11.15 AM. I certify that i am a registered shareholder/ proxy for the registered shareholder of the Company. I hereby record my presence at 39th Annual General Meeting of the Company.

Name of the Shareholder/ Proxy (IN BLOCK LETTERS)	Folio No./DP ID and Client ID No.	No. of Shares	Signature of Shareholder/Proxy

**Notes:**

Member/Proxy holder should bring his/her copy of the Annual Report for reference at the meeting

Please refer the instructions printed under the notes to the notice convening the 39th Annual General Meeting of the Company.







## Ruchira Papers Limited

CIN: L21012HP1980PLC004336

Regd. Office: Tirlokpur Road, Kala Amb, Himachal Pradesh-173030

Phone: 91-8053800897, Email- investor@ruchirapapers.com

### PROXY FORM

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration Rules, 2014)

Name and Registered Address of the member(s):

Email Id:

Folio No./ Client Id No.:

DP ID No.:

I/We, being member/members holding.....Shares of Ruchira Papers Limited, hereby appoint

1) Name.....Email id .....  
Address..... Signature .....  
or failing him

2) Name.....Email id .....  
Address..... Signature .....  
or failing him

3) Name.....Email id .....  
Address..... Signature .....

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 39th Annual General Meeting of the Company to be held on Wednesday, 25th September 2019 at 11.15 AM at Hotel Black Mango, Nahan Road, Kala-Amb and at any adjournment thereof in respect of such resolutions as are indicated below:

#### Ordinary Business:

1. To receive, consider and adopt the audited financial statements of the Company for the year ended 31st March 2019.
2. To declare a dividend on equity shares for the financial year 2018-19.
3. To appoint a Director in place of Mr. Vipin Gupta (DIN: 05107366), who retires by rotation and being eligible, offers himself for re-appointment.

#### Special Business:

4. To ratify the remuneration of Cost Auditors for the financial year ending 31st March 2020.
5. To fix the Managerial Remuneration of Mr. Vipin Gupta, CFO & Executive Director of the Company.
6. To re-appoint Mr. Dalbir Singh (DIN: 01538540) as an Independent Director.
7. To re-appoint Mr. Avtar Singh (DIN: 01605978) as an Independent Director.
8. To re-appoint Mr. Swatantar Kumar Dewan (DIN: 00427404) as an Independent Director.
9. To re-appoint Mr. Surinder Kumar Gupta (DIN: 01108489) as an Independent Director.
10. To re-appoint Mrs. Suhasini Yadav (DIN: 06925910) as an Independent Director.

Affix  
Revenue  
Stamp of  
₹1/-

Signed this.....day of.....2019

Signature of Shareholder..... Signature of Proxy holder.....

**Note:** This proxy form in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.















*If undelivered please return to*  
**Ruchira Papers Limited**  
Tirlokpur Road, Kala Amb,  
Himachal Pradesh-173030