



COMMITTED TO THE EARTH

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RPL/CS/BSE/NSE/2017-18/

22.09.2017

To

The General Manager,  
Department of Corporate Service,  
Bombay Stock Exchange 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: SUBMISSION OF THE APPROVED AND ADOPTED COPY OF ANNUAL REPORT IN  
THE 37<sup>TH</sup> ANNUAL GENERAL MEETING OF THE COMPANY HELD ON THURSDAY, 21<sup>ST</sup>  
SEPTEMBER 2017 AT 11.15 AM.

Dear Sir/Madam,

In compliance with the requirement of Regulation 34 of the SEBI (LODR) Regulation, 2015, we hereby submit 37<sup>th</sup> Annual Report as approved and adopted by the members of the Company at their 37<sup>th</sup> Annual General Meeting of the Company held on Thursday, 21st September 2017 at 11.15 AM at Hotel Black Mango, Nahan Road, Kala Amb-H.P-173030.

You are requested to please take on record the above said document for your reference and further needful.

**For Ruchira Papers Limited**

For Ruchira Papers Limited  
  
**Vishav Sethi**  
Company Secretary  
**(Company Secretary)**

FCS-9300

Encl: As above

**RUCHIRA PAPERS LIMITED**

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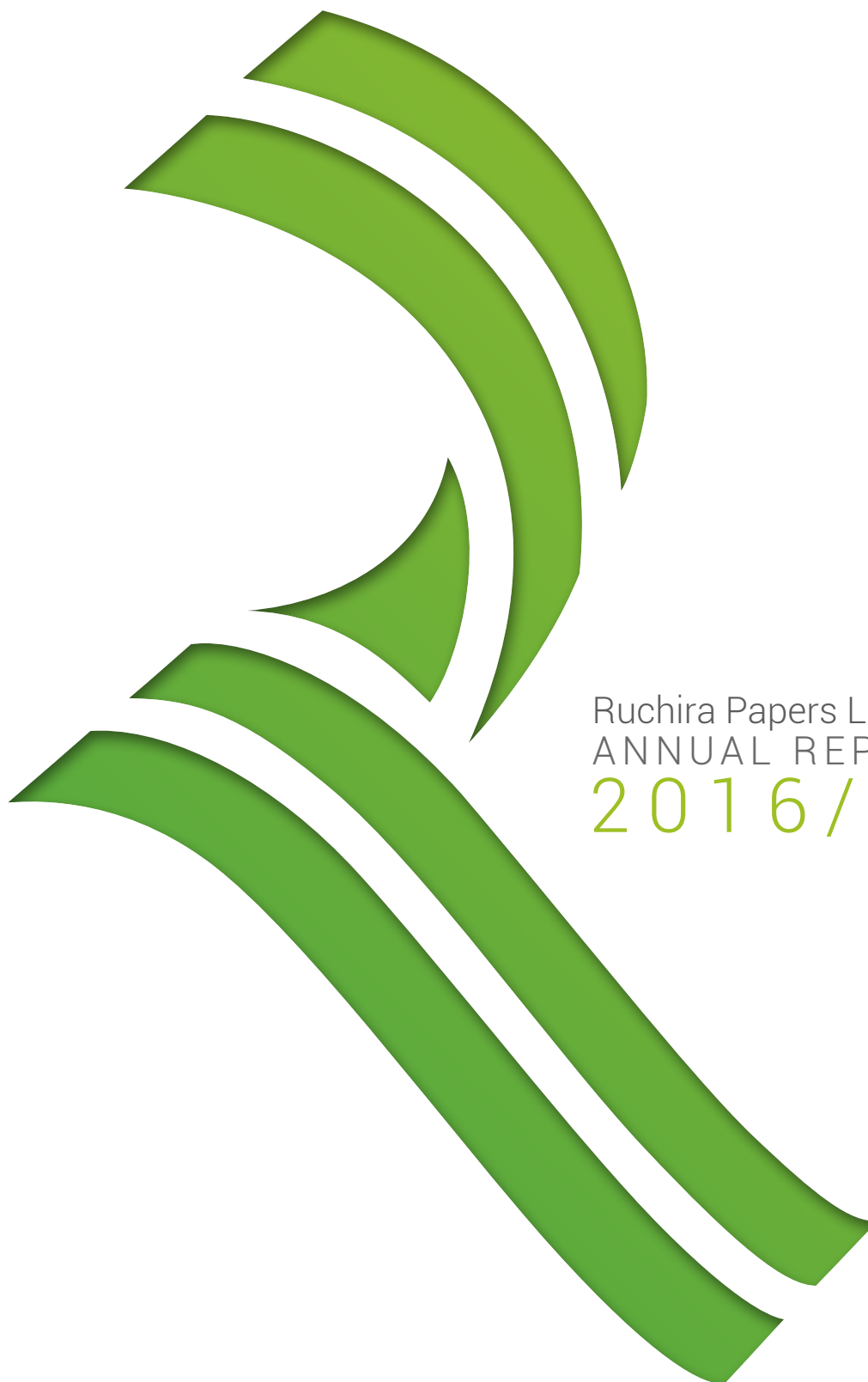
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Ruchira Papers Limited  
ANNUAL REPORT  
2016/17

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## Caution regarding forward-looking statements

This document contains statements about expected future events and financial and operating results of Ruchira Papers Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the assumptions, predictions and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of factors could cause assumptions, actual future results and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the management's discussion and analysis of Ruchira Papers Limited Annual Report 2017.

# More from Less

At Ruchira Papers, 'More from Less' is a core organisational attribute.

We are driven by the passion to moderate costs. To eliminate operating efficiency.

To maximise realisations.

To reduce the consumption of utilities.

To work with attractively low end-product inventory.

Making it possible to generate a large proportion of the increase in our profits and margins from superior working.

The result is that Ruchira Papers has progressively emerged as one of the most productive agro-based paper companies in India.

This competence has reflected in the Company's profitable growth – revenues increased 15.11% while profit after tax strengthened 64.61% in 2016-17.

## CORPORATE IDENTITY

Ruchira Papers is a  
passion-driven company.

Driven not as much by the prospect  
of what is but what can be.

Motivated by the prospect of  
generating more out of less.

Inspired by enhancing value for all  
stakeholders.

### About us

#### Our background

Ruchira Papers Limited was incorporated in 1980, spearheaded since by Umesh Chander Garg, Jatinder Singh and Subhash Chander Garg. The promoters are hands-on in their engagement with the allocation of specific responsibilities.

### Our production ability

- The Company launched its operations in 1983 with Kraft Paper production capacity of 2310 TPA; the Company produced 66426 MT in 2016-17
- In March 2008, our Writing & Printing manufacturing unit was commissioned; the Company produced 50351 MT in 2016-17
- A power co-generation plant was commissioned to support the Writing & Printing plant through captive consumption.
- The Company effectively utilises agricultural residues comprising wheat straw, bagasse and kans sarkanda.

### Our products portfolio

The Company is engaged in the manufacture of Kraft Paper and Writing & Printing Paper.

Kraft paper is used in the packaging industry to make corrugated boxes / cartons and other packaging products. Its most attractive feature lies in its load-bearing capacity and tenacity, making it appropriate for corrugated packing applications.

The Writing & Printing paper caters to the growing demand for printing and stationery, comprising note books, writing material, spiral notebooks, greeting cards, coloring books, colored copier paper and bill books.

### Our location

The Company's manufacturing unit is situated in Kala-Amb, District Sirmaur, Himachal Pradesh. The unit is 68 kms from Chandigarh and 50 kms from Ambala and Yamuna Nagar along the Chandigarh-Dehradun Highway.

### Our listing

The Company is listed and actively traded on the Bombay Stock Exchange (BSE) and National Stock Exchange (NSE) with a market capitalisation of ₹351.35 crore as on 31st March 2017. The promoters accounted for 61.14% of the Company's equity as on (as on 31st March 2017).

### Our numbers at a glance

997+

People employed

10.13%

Decrease in capital cost per tonne

7.33%

Decrease in power consumption (units) per tonne of Kraft Paper manufactured

7.68%

Decrease in working capital outlay per tonne

15.16%

EBITDA margin

₹417.29 crore

Enterprise value

₹24.48 crore

Contribution to the central exchequer

₹24.40 lakh

Contribution to corporate social responsibility initiatives

### The Company's promoters

#### Subhash Chander Garg

*Chairman and Whole Time Director*

Law Graduate with expertise in taxation. Rich marketing experience; looks after taxation, marketing and sales

#### Jatinder Singh

*Co-Chairman and Whole Time Director*

Engineering Graduate from Punjab University. Acquired deep insight into India's paper industry. Manages finance, administration, raw material procurement & HR activities.

#### Umesh Chander Garg

*Managing Director*

Graduate associated with Ruchira Papers since inception. All expansion projects undertaken under his guidance. Manages production, maintenance and technical aspects.



### Our core 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.

## MANAGEMENT'S OVERVIEW

We are pleased to report an appreciable improvement in our performance in 2016-17.

Ruchira Papers Limited reported credible performance during the year under review. The Company's revenues grew 15.11% while profit after tax strengthened by 64.61% in 2016-17. The fact that the Company reported profitable growth represented a validation of the business model. Besides, we outperformed the growth of the country's economy and paper industry as well, enhancing value for our stakeholders.

The big question: how did Ruchira Paper outperform national and sectoral benchmarks? What are our competitive advantages that made it possible for the Company to post a significant improvement in performance?

In this overview, we have attempted to identify some of the most important factors that make us different.

1

### Best over biggest

At Ruchira Papers, we recognise that in a business that is capital-intensive, there is a bigger premium on being the best than being the largest. In our business, being the largest has corresponding implications of capital appetite; in the event that this capital is debt, the need for scale would immediately translate into a high interest outflow and moderated margins; in the event of net worth, the need for sectoral visibility and economies would translate into a high equity component that would depress earnings per share. However, when one seeks to be the best, there is a focus on generating resources and surpluses from within to fund one's growth. While we do concede that the operating surplus in this case may be relatively less than what would be able to derive from a significant capital infusion and large capacity, this surplus would be sustainable.

2

### Sustainable over dramatic growth

At Ruchira Papers, we believe that the only growth that is sustainable in our business is the one derived from cost savings coupled with product value-addition rather than a business dependent on periodic price increases. The result is that our business is centred round gains that can be sustained through good years and bad: these gains are manifested in moderated resource consumption, running our plants at the highest operating efficiency and generating more from less. We believe that when the sector passes through sluggishness, we should be competitive enough to be the last person standing and the first to be off the blocks when conditions improve. We are proud to state that we consider ourselves as a competitive paper manufacturer, viable in good and challenging markets.

3

**Make and market better**

At Ruchira Papers, we believe that our business carries a strong manufacturing connotation. The reality is that this is a marketing business, where companies need to understand the diversity of what customers want and then remain responsive enough to deliver.

Over the years, this capability has enhanced our customer focus;

we keep asking our customers how they perceive consumer preferences; we keep asking them how their competitors are innovating. The result is that we are driven by the enthusiasm to make better products – superior brightness or colours, or a higher burst factor. The objective is to make better products that take the business of our customers ahead.

4

**God lies in working capital management**

At Ruchira Papers, we believe that the larger we become, the 'smaller' we need to remain.

The smallness in this context is a reference to the size of our Balance Sheet. We believe that the best companies are those that grow their businesses in a sustainable way without a corresponding increase in their Balance Sheet, translating into

superior returns on employed capital. Over the years, we have been growing our scale without a proportionate increase in assets or working capital outlay. This has been achieved through our ability to commission additional capacity within time and cost, commission below the prevailing greenfield benchmark (translating into relatively low debt and hence interest outflow) and manage working capital efficiently (quicker receivables, comfortable payables and attractive value-addition).

5

**Grow to the extent the Balance Sheet permits**

At Ruchira Papers, we are engaged in continuous growth – with a difference. We believe that it is important to be growing virtually on a year-to-year basis through continuous de-bottlenecking and production balancing – but only to the extent that is financially prudent and does not compromise the solidity of our Balance Sheet. This is what we mean by sustainability – getting to a sweet spot of growth in production ability that does not endanger our

ability to recover receivables or address our obligations to lenders and equity owners.

6

**Passion is the best insurance**

At Ruchira Papers, we could always run our company in a 'business as usual' manner; we have always selected to manage through a 'business as unusual' approach. The result is that we work with a passion; our promoters are hands-on; we have selected to run our office from within our manufacturing premises; we are always encouraging our people to

be entrepreneurial; we delegate decision-making; we create leaders from within; we are perpetually pushing the envelope when it comes to product or process breakthroughs; we believe that our people come to work with an enthusiasm that extends well beyond the routine.

99,101 MT

Production,  
2015-16

116,776 MT

Production,  
2016-17

17.84%

Production  
growth  
in 2016-17

The result of these initiatives has been that we have grown attractively: our production increased from 99101 MT to 116776 MT i.e. growth of 17.84% over the previous financial year; we have grown output in every year over the last 4-5 years; our receivables were a mere 37.40 days of turnover equivalent; we grew our turnover from ₹284.28 crore to ₹427.36 crore without increasing our working capital outlay; we drew only 75-80% of our working capital sanction.

We are optimistic that these priorities represent the operating framework that makes our business solid, secure and sustainable to be able to address the growing needs of the world-fastest growing major economy.

LESS



MORE

## At Ruchira Papers, less is more

At Ruchira Papers, we have a lateral perspective on the issue of cost management.

On our shop-floor, less is more.

We believe that every initiative – however small it may initially appear – holds out scope of large gains over a period of time.

We have brought to this reality a delegated passion: we encourage, we dissect, we debate, we collaborate, we empower.

The result is that our overall team – seniors and shop-floor – are driven by the obsession to locate inefficiency or realities that can be improved.

Our teams are always on the search to moderate resource use, replace materials with superior substitutes, research new engineering component developments and operating combinations.

The result of this singular commitment lies in the numbers: we moderated the consumption of power by 68 units per tonne in Kraft Unit and 120 units per tonne in our Writing and Printing Paper unit in the four years ending 2016-17. Based on the prevailing cost that we paid for power in the year the savings were made, we have saved a substantial amount across the last four years.

*Strengthening our conviction that the growth in our profits are largely generated from within.*

EXTRAORDINARY



AVERAGE

## Transforming the average into the extraordinary

The kraft paper segment proved challenging for most Indian manufacturers in 2016-17.

There were a few reasons for this: the main factor was a consumer slowdown in the economy following demonetisation. Since kraft paper has an industrial application, the growth of the industry/economy directly affects the kraft paper.

Ruchira Papers stood to be affected by this reality, considering that the Company generated 37.81% of its revenues from kraft paper in 2016-17.

However, the Company performed better than the sectoral average for some good reasons.

One, the Company manufactured a superior kraft quality.

Two, the Company customised its kraft product in line with customer needs.

The result was that the Company's kraft products sold with speed, inventories were drawn down faster and the product generated realisations higher than the prevailing average.

*Emphasising the point that even in challenging business segments, the Company focused on profitable outperformance.*

**Q:** Was the management pleased with the working of the Company during the year under review?

**A:** The management at Ruchira Paper was pleased with the working of the Company during the year under review for a number of reasons.

**One**, the Company performed better than the growth of the country's paper sector; the latter grew 7% while the Company strengthened revenues 15.11%, indicating that we are ahead of the sectoral curve.

**Two**, the Company reported profitable growth: even as revenues grew 15.11%, profit after tax strengthened 64.61%, indicating the robustness of our business model.

**Three**, our EBITDA margin strengthened from 13.10% to 15.16% – the third straight year of an increase in our profitability.

**Q:** The general impression is that the Company reported record earnings on account of an increase in paper realisations.

**A:** That would only be partly true. The reality is that in the paper industry, it is virtually impossible to pass on cost increases to consumers whenever you desire. An increase in margins and profits need to be derived from a proactive strengthening of one's business model instead. During the last financial year, the Company reported superior operating and financial numbers on account of an established culture of enthusiasm that was most visibly reflected in ongoing value-engineering.

**Q:** How do you explain this value-engineering?

**A:** At Ruchira Papers, the principal manifestation of our value-engineering is reflected

in our ability to generate a larger production from our existing facilities. In a business where the prevailing capital cost per tonne of production is around ₹30000, indicating that the business is capital-intensive, the most effective means of increasing our profitability is through the ability to generate a larger throughput.

This is one area where the Company performed creditably during the last financial year. The Company followed on its production of 99101 tonnes in 2015-16 with 116776 tonnes in 2016-17. The increase in output made it possible for the Company to amortise fixed costs more effectively across a larger output; besides the increased production strengthened the Company's product mix resulting in a combination of larger output of desired products accompanied by higher realisations.

The result is that our production increased 17.84%, revenues increased 15.11% during the year under review.

**Q:** What were some of the other reasons that translated into a record year for the Company?

**A:** In the paper industry, a combination of the product mix and the quality of what we manufacture are critical to business sustainability. In a dynamic market where demand patterns keep evolving, success is derived from the ability to manufacture products

# Operational review, 2016-17

enjoying demand traction and deliver them around a quality standard that makes it possible to generate the highest realisations. This ability is derived from an ongoing understanding of consumer needs, emerging trends and quality-respecting buyers prepared to pay a corresponding price. We would state that much of our enhanced predictability was derived from the ability to respond to emerging marketplace realities with a strategy that generated the highest per-hour returns from our paper manufacturing machines.

For instance, the Company increased the proportion of revenues from writing and printing paper from 52.33% of our overall revenues in 2010-11 to 62.19% in 2016-17. This increase was in line with our conviction that the writing & printing paper segment will be relatively buoyant compared to other categories across the foreseeable future, will provide opportunities to enhance value-addition and make it possible to generate superior realisations.

Within the writing & printing segment, the Company increased the proportion of coloured paper from 12.67% a few years ago to 27.69% in 2016-17; besides, a corresponding improvement in the quality of coloured paper made it possible for the Company to strengthen average realisations of coloured paper from ₹51614 per tonne in 2015-16 to ₹54966 per tonne in 2016-17.

The result is that our writing & printing paper segment accounted for a significant per cent of our EBITDA during the year under review.

**Q: What were some of the other initiatives that helped enhance profitability?**

**A:** The other important initiative at Ruchira Papers was a focus on cost management. In a business where raw materials account for more than 50% of the overall cost of production, there is always a premium to consume a progressively lower quantity of resources and consumables per tonne of end product manufactured. This is the one area where the role of passion is critical: it is generally derived from a conviction that less can be more, a corresponding belief that such opportunities exist and the knowledge in being able to identify exactly what value-engineering initiatives are needed to be pursued to make an impact.

During the course of the year, the Company sustained its value-engineering culture through audits, comparison with sectoral benchmarks and training. The result was that our power and fuel cost as a percentage of our overall revenues declined from 23.51% in 2012-13 to 16.85% in 2016-17. We are pleased to state that this priority also extended to the consumption of water, an area of growing importance in a world where water is becoming increasingly scarce. The Company reported a

Company followed on its production of

**116776 tonnes**

in 2016-17.

sizable reduction in water consumption per tonne of the end product, strengthening our sustainability.

**Q: What initiatives were taken to grow the business?**

**A:** The Company embarked on the decision to proceed towards the manufacture of white high bulk paper in the writing & printing segment, which enhances value for the Company and for the consumer. The full impact of this initiative will be reflected in the Company's working in 2018-19. Within the kraft segment, the Company intends to graduate its product mix from a 20 burst factor (BF) to 22-25-28-35 BF range that is expected to enhance realisations. Besides, we intend to graduate from the 350 ply-bond commodity segment to the 650 ply-bond DTY variety (manufactured through the resource-efficient digester route) that is used in the manufacture of cones used in the textile industry. We intend to introduce a kraft variety with a special brown tint that should enhance realisations and market

acceptability.

**Q: How does the Company intend to scale output?**

**A:** The Company will sustain what has worked well for it in the past – a continuous de-bottlenecking of existing component capacities with the objective to generate a larger throughput: a projected production of 128,000 tonnes in the current financial year, rising to around 135,000 tonnes in 2018-19. We believe that the combination of enhanced scale, lower cost and higher average realisation should translate into enhanced value for all those associated with our company.



## How we have selected to do business

Our business model is based  
on various imperatives



### Diversification of offerings

Instead of remaining dependent on one product type, the Company prudently diversified products across kraft paper and writing & printing paper. The result is that 37.81% revenues were generated from kraft paper and 62.19% from writing & printing paper, representing adequate de-risking in the event of a decline in offtake or realisations in any one segment.



### Margins-driven

The Company focuses on improving margins, emphasising the fact that it is a bottomline-driven company. By focusing on niche products, Ruchira has extended beyond the challenges of the mass market, enhancing realisations and profitability. The Company's EBITDA margin strengthened year-to-year.



### Locational advantage

The Company is located in Himachal Pradesh, well connected to state and national highways as well as the principal resource-providing pockets of Punjab and Haryana on the one hand and principal product consuming markets on the other. The result is that the Company's logistics cost is among the lowest in India's paper industry.



### Foresight

Ruchira has been agro-based since inception. The Company anticipated a gradual raw material shift from wood towards renewable and environment-friendly organic waste material, making it possible to moderate its carbon footprint. The entire bulk of the Company's raw material was derived from agricultural and renewable resources in 2016-17.



### Pan-India presence

The Company has built a pan-Indian distribution presence to market writing & printing paper varieties; its kraft paper varieties are largely sold within a 300 km radius from its manufacturing facility (in Jammu & Kashmir, Punjab, Haryana, Himachal, Gujarat and Maharashtra).



### Robust Balance Sheet

Ruchira has used a prudent balance of debt and accruals to fund its growth in a capital-intensive sector. Besides, the Company has selected to repay long-term debt related to erstwhile expansion projects before embarking on the next expansion round, limiting its risk. The Company had a modest gearing of ₹28.60 crore coupled with net worth of ₹152.75 crore as on 31 March 2017



### Efficient working capital management

The Company has remained relatively under-leveraged following the manufacture of niche and value-added varieties, helping shrink the receivables cycle. The result is that working capital as a proportion of total employed capital was a modest 18.70% in 2016-17; the working capital limit sanctioned by the banks was not fully drawn; the Company enjoyed excellent trade terms, translating into low inventories and modest receivables.

# How our passion for sustained value-engineering translated into attractive operational gains

## OUR VALUE ENGINEERING FOCUS

### Bigger production bang for our buck

In a capital-intensive business, we focused on generating a larger return from investments in the overall business. The various initiatives have focused on commissioning assets at the lowest cost, shortest time and highest efficiency. An increased output from every crore of financial investment in the business underlined the core profitability of the business.

#### Production per crore of capital employed (₹)



### Core commitment

The Company invested in production abilities and capabilities through good markets and bad, considered to be among the most challenging sectoral periods, making it possible for the Company to have adequate production ability on its books at a time of sectoral uptrend. Besides, the Company is among the largest agro-based paper manufacturers in North India, strengthening its brand and procurement economies.

#### Gross block (₹ / crore)



### Growing output

The Company has sustained production growth through ongoing de-bottlenecking, making it possible to amortise fixed costs more efficiently, capitalise on procurement economies and address growing customer needs with timely product availability.

#### Production (tonnes)



### Product mix

The Company has progressively evolved its product mix: towards writing & printing paper. This has empowered the Company to move products faster, generate superior realisations and establish its brand in a growing product segment.

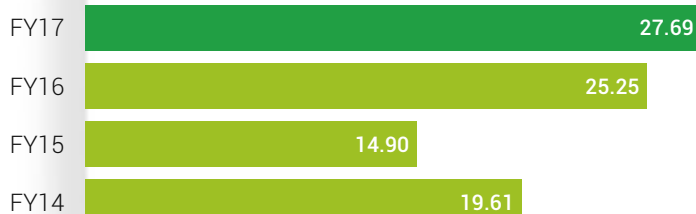
#### % of revenues from writing & printing paper



### Niche value-added

The Company progressively extended from the manufacture of ordinary writing & printing varieties to value-added versions. The Company introduced coloured paper in 2011; the proportion of revenues derived from this niche has steadily grown; this variety generates a premium per kg over the prevailing writing & printing paper average.

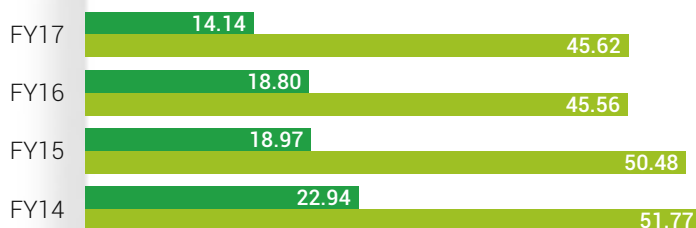
#### % of writing & printing paper revenues from coloured paper



### Water-efficient

Over the years, the Company invested in cutting-edge technologies with the objective to moderate water consumption: from 75 metre cube per tonne of writing & printing paper manufactured in 2010-11 to 45 meter cube per ton for WPP in 2016-17. The Company moderated water consumption through the proactive investment in an imported effluent treatment plant (French technology), chemical recovery system and an online water monitoring system (the one of the first among agro-based paper manufacturers in region).

#### Water consumption (metre cube) per tonne of kraft paper Water consumption (metre cube) per tonne of writing/printing paper



### Productivity

Over the years, the Company has enhanced per person productivity, indicating a competent workforce through training, multi-skilling and knowledge enhancement, strengthening overall business value.

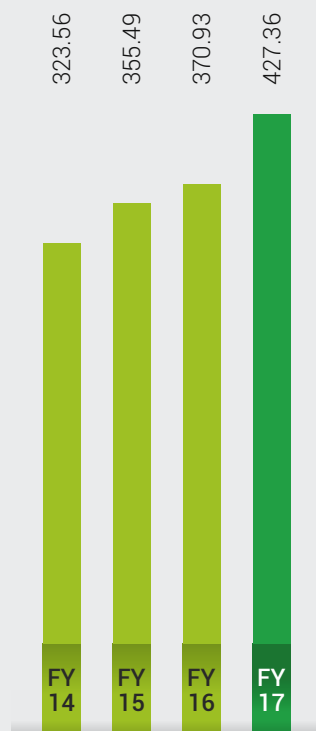
#### Per person productivity (₹) (calculated on Net Sales)



## FINANCIAL IMPACT

### Revenues, 2016-17

Turnover (₹ / crore)



**Definition:** An increase in revenues without deducting tax and excise duties.

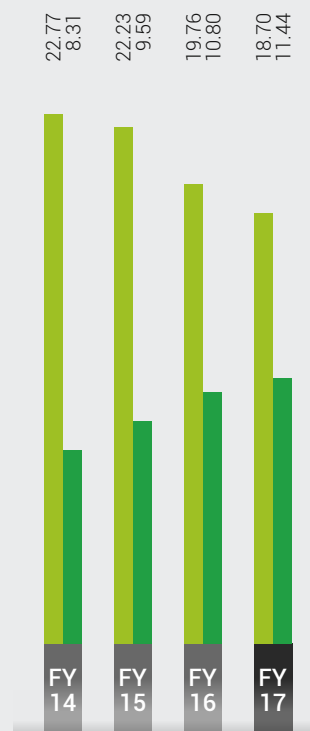
**Why we measure:** To measure the Company's ability to comprehend demand trends and respond with prudent changes across the entire value chain.

**Performance:** The Company's total sales reported a CAGR of 7.49% in the five years, increasing from ₹297.79 crore in FY13 to ₹427.36 crore in FY17.

### Working capital efficiency

Working capital as % of capital employed

Revenue derived from a rupee of working capital



**Definition:** Working capital expressed as a percentage of capital employed.

**Why we measure:** The lower the percentage indicates business efficiency and the ability of the Company to reinvest surpluses in business growth.

**Performance:** The Company monetised product superiority through attractive terms of trade, which moderated finished inventory and accelerated receivables. The Company's turnover grew 50.33% between 2011-12 and 2016-17, the Company's working capital limits remained unchanged at ₹38.80 crore (only 75 to 80% of this amount being drawn). In turn, this fiscal efficiency translated into a lower gearing, lower interest outflow and rising interest cover.

### Raw material flexibility

Raw material cost as % of revenues



**Definition:** Raw material cost as a percentage of revenues.

**Why we measure:** This indicates the efficiency with which the Company's resource costs are covered.

**Performance:** The Company works with a mix of agro-based material (wheat straw, bagasse and kan sarkanda), diversifying its dependence from any one material. Bagasse is dependent on cane planting; wheat straw is available across the year, strengthening quality consistency and cost management.

**Capital cost per tonne**

Capital cost per tonne (₹)



**Definition:** Derived from dividing gross block by total production

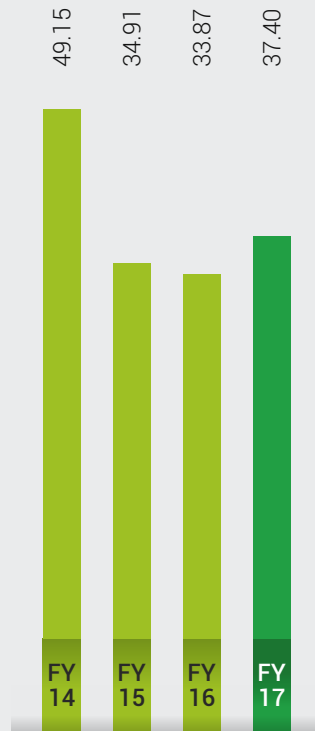
**Why we measure:**

This indicates the competitiveness of the Company when compared with peer companies

**Performance:** The preference for accrual-based investing has translated into a relatively small Balance Sheet in a capital-intensive sector.

**Receivables management**

Receivables in terms of days of turnover equivalent



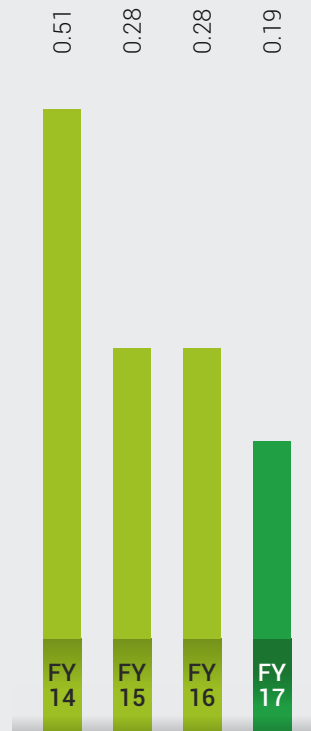
**Definition:** The division of the turnover by the total receivables at the end of the financial year multiplied by the total number of days in a year.

**Why we measure:** To assess the number of days of receivables outstanding, the lower the better.

**Performance:** The Company's receivables cycle has reduced significantly from 49.15 days in FY14 to 37.40 days in FY17, indicating a faster receivables inflow, thereby moderating our working capital requirement.

**Gearing**

Debt-equity ratio



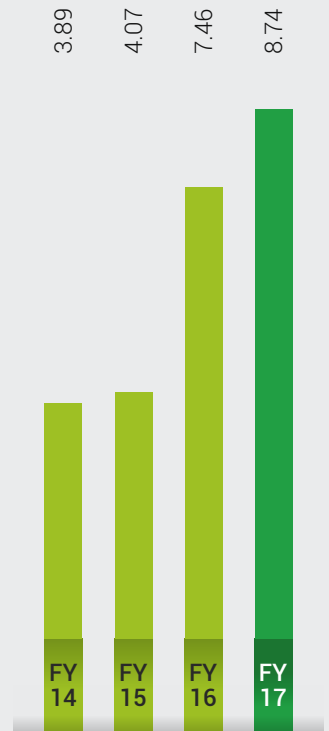
**Definition:** Debt divided by equity (net worth).

**Why we measure:** To assess the extent to which the Company is borrowed.

**Performance:** The Company's gearing (based on long-term debt) strengthened from 0.51 in FY14 to 0.19 in FY17.

**Interest cover**

Interest cover (x)



**Definition:** The division of EBITDA by interest outflow.

**Why we measure:** To assess the Company's financial strength and ability to pay interest/debt with ease.

**Performance:** The Company's interest cover was a comfortable 8.74x in FY17, as compared to previous year's 7.46x, a reflection of attractive gearing and opportunity for fresh borrowings without compromising corporate stability.

## ENHANCED VIABILITY

### Return on capital employed (RoCE), 2016-17

Return on Capital Employed (RoCE) (%)



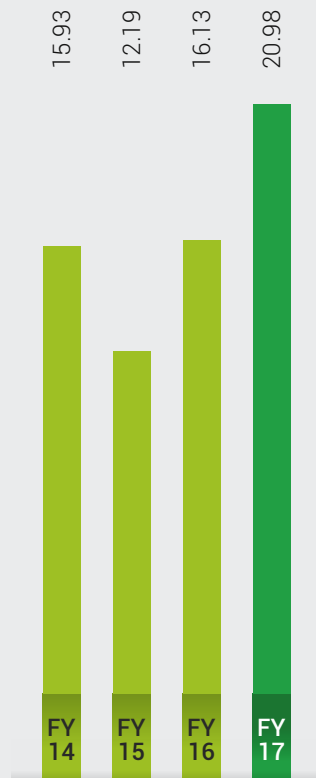
**Definition:** The financial ratio that measures a company's profitability and the efficiency with which capital is employed in the business. The financial ratio derived from the EBITDA divided by total average capital employed by the Company and the amount deployed in the business.

**Why we measure:** To assess the investment effectiveness, captured as a result of all our diverse initiatives, validating the strength of the business model.

**Performance:** The Company reported an RoCE of 31.86% in FY17, which is a 442 bps increase over last year's 27.44%, resulting in the generation of higher value for shareholders.

### Return on net worth

Return on Net worth (RoNW) (%)



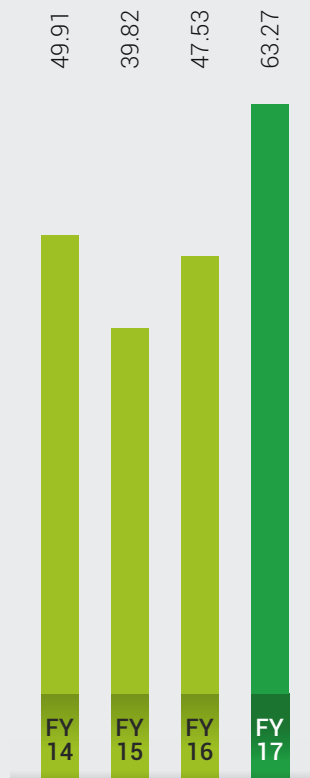
**Definition:** The financial ratio derived from the Net Income divided by total shareholder's equity.

**Why we measure:** This is also called Return on Equity (ROE). This is a measure that calculates the profit a company generates with each rupee of shareholders' funds.

**Performance:** Our RoNW strengthened from 16.13% in FY16 to 20.98% in FY17.

### EBITDA

EBITDA (₹ / crore)



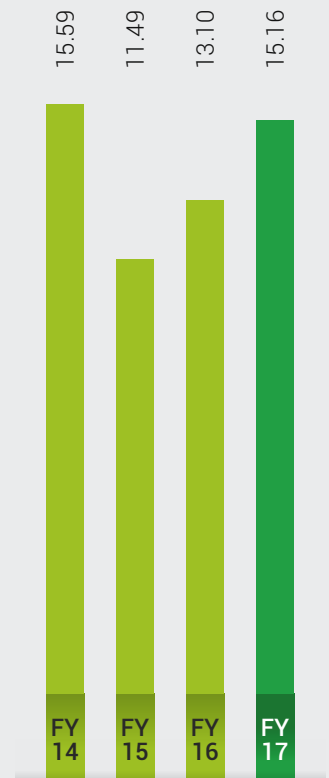
**Definition:** The earnings measured before the deduction of interest, depreciation, extraordinary items and tax.

**Why we measure:** To measure the Company's operating profitability, despite inflationary pressures and easily comparable with respective average and sectoral peers.

**Performance:** The Company's EBITDA reported a 33.11% increase Y-o-Y in FY17, from ₹47.53 crore in FY16 as a result of on-time capacity investments, cost optimisation and changes in product mix.

### EBITDA margin

Operating Margin Movement (EBITDA Margin) (%)



**Definition:** The measure of percentage points in operating profit before interest, depreciation, exceptional items and tax when divided by the Company's turnover.

**Why we measure:** To assess the business efficiency and to comprehend the earnings of a company (before accounting for business and taxes) on each rupee of sales.

**Performance:** The Company's EBITDA profit margin increased from 13.10 in FY16 to 15.16 in FY17, reporting an increase of 206 bps, derived from improved operating efficiencies.

## OUR OPERATIONS

# Manufacturing

## Overview

- The Company is the one of the largest manufacturers of kraft and writing & printing paper in Northern India from agro feedstock
- The Company has a wide range of products in kraft paper and writing & printing paper
- For the kraft paper plant, the electricity was sourced from the H.P State Electricity Board, while for writing & printing paper, the Company possessed power co-generation plant for captive consumption

- The Company's principal raw material comprised agricultural residue like wheat straw, bagasse and sarkanda etc.
- The Company's water requirements were sourced from ground water through tube-wells

- Less power was consumed in the manufacture of kraft as well as writing & printing paper
- Water consumption moderated 23.40% due to de-bottlenecking initiatives

## Highlights, 2016-17

- Production increased by 27.67% for kraft paper
- Production increased 6.96% for writing & printing paper
- Power consumption rationalised from 4.29% of revenues to 4.01%

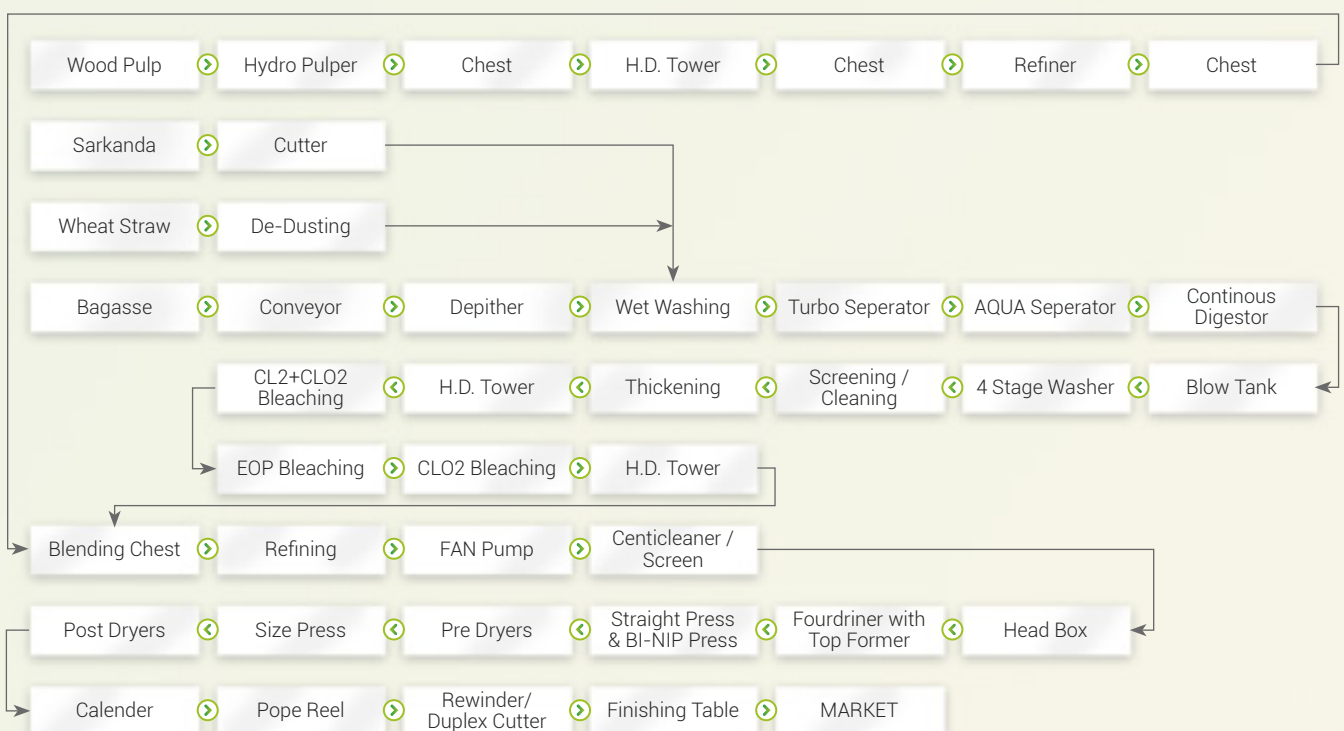
## Outlook, 2017-18

- The Company intends to launch various value-added products for kraft as well as writing & printing paper

The Indian Government's growing educational focus is expected to increase the demand for writing & printing paper varieties

## Ruchira Papers Limited

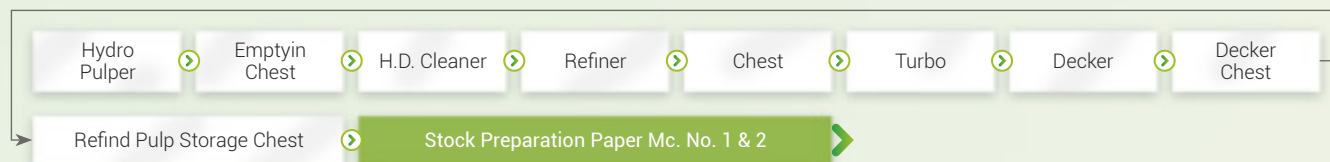
### Flow diagram of a writing & printing paper manufacturing unit



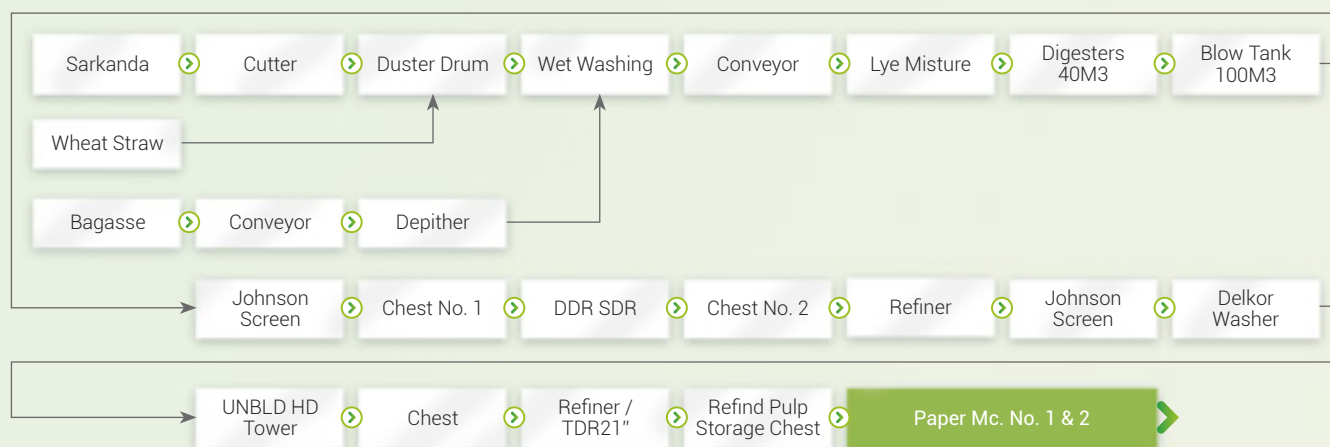
## Ruchira Papers Limited

### Flow diagram of a kraft paper manufacturing unit

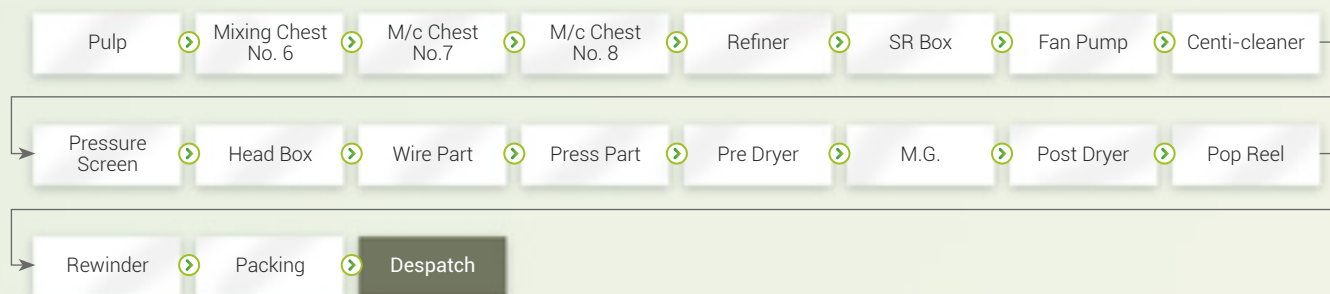
#### INDIAN WASTE PAPER STREET



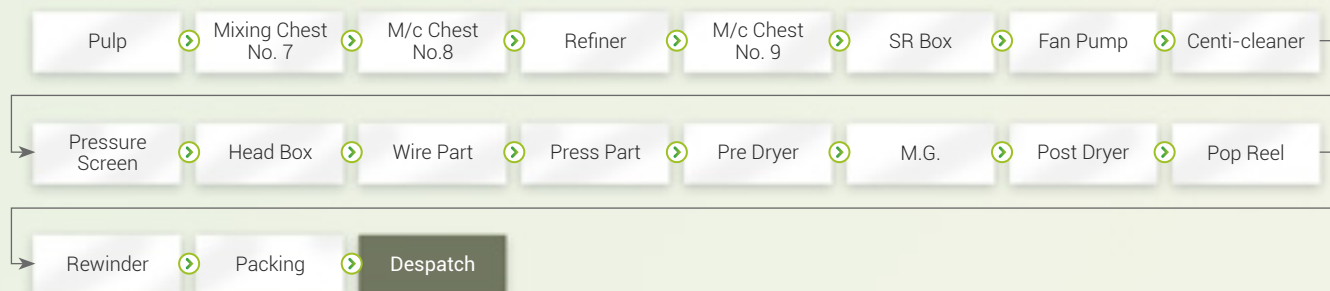
#### AGRO STREET



#### Paper Machine No. 1



#### Paper Machine No. 2



## OUR OPERATIONS

## Marketing

## Overview

- Ruchira Papers has established a reputation and respect for quality products
- This quality has been showcased in the brightness and cleanliness of writing & printing paper on the one hand and a higher burst factor of kraft paper on the other
- The Company's products are marketed through an extensive and long-standing network of dealers and distributors
- The strengths of the Company's quality and distribution capability are reflected in the speed of product offtake, high proportion of repeat business from existing customers, negligible inventories, realisations higher than the prevailing average and the ability to market a large proportion of products within 300 kms of the manufacturing facility
- The Company marketed 3 to 4 Kraft varieties and 7 to 8 Writing & Printing paper varieties

## Highlights, 2016-17

- The Company's average realisations remained almost same as compared to previous year
- The Company added various new dealers; marketing extended to Chennai and Bangalore

## Outlook, 2017-18

The Company intends to market products wider and deeper and planning to add more value added products to its products list.

## OUR OPERATIONS

## Finance

## Overview

- The Company possesses a strong Balance Sheet
- The strengths of the Balance Sheet are reflected in low gearing, low cost of debt and attractive margins
- The Company had worked with around the same working capital quantum since 2012 even as turnover has grown – from ₹284.28 crore in 2011-12 to ₹427.36 crore in 2016-17

## Highlights, 2016-17

- The Company reported an increase of 15.11% in its revenues over the previous year
- The Company reported profitable growth – PAT increased 64.61%

## Outlook, 2017-18

- The Company will continue to invest in plant modernisation and de-bottlenecking
- The Company intends to introduce new products, generating higher revenues

# Management discussion and analysis

## Global economic overview

The pace of global economic activity was mixed in 2016 as a number of crosswinds affected re-acceleration. The year was marked by the United Kingdom's decision to exit the European Union and the election of Donald Trump as the American President. Within advanced economies, comprising the US, Europe and Japan, a protracted monetary policy support and return to fiscal neutrality

underpinned a generally-accelerating output. In countries outside the advanced economies, the sources of slower growth comprised commodity price declines, overhangs from erstwhile credit growth and political turmoil.

Global growth was 3.1% in 2016, the forecast revised downwards by 10 bps for 2017 compared to the April 2016 projections. Long-term prospects of

emerging market economies improved following a decline in interest rates in advanced economies and firming commodity prices.

Asia and India demonstrated robust growth. The currencies of advanced commodity exporters have also strengthened, reflecting the firming of commodity prices; however, several emerging market currencies depreciated substantially.

Growth	2016	2017(E)	2018 (P)
Global economy	3.1%	3.4%	3.6%
Advanced economies	1.6%	1.9%	2.0%
Emerging market and developing economies	4.1%	4.5%	4.8%

(Source: IMF)

## Outlook

The global economy entered its sixth year of stagnation with growth estimates for 2017 continuing to trend the historical path. A projected stabilisation in energy and commodity prices may strengthen the case for resource-rich economies in 2017.

World growth is expected to rise from 3.1% in 2016 to 3.5% in 2017 and 3.6% in 2018, driven by stronger economic activity, expectations of robust global demand, reduced deflationary pressures and optimistic financial markets.

(Source: IMF)

## Indian economic overview

The Indian economy slowed in 2016-17 to 7.1% from 7.9% in FY2015-16, largely owing to the currency demonetisation in the third quarter

of the financial year under review. However, the general undercurrent continued to be optimistic; India's consumer confidence index stood at 136 in Q4 2016, the highest in the world.

India retained its position as the fastest growing major economy in the world catalysed by strong consumption growth and enhanced government spending. Inflation declined on account of a decline in food inflation. This facilitated a 50 basis points rate cut by the RBI in 2016-17. A declining vulnerability on the external and fiscal front and fiscal consolidation by the government enhanced investor confidence that translated into record net foreign exchange inflows.

The year under review was also marked by the government's demonetisation initiative and the

preparatory work related to the introduction of the goods and services Tax (GST). While the first initiative focused on eliminating the parallel economy, the second is expected to transform the country's taxation structure.

India's youth literacy levels have increased from 81.1% in 2006 to 89.7% in 2015. The gross enrolment ratio for tertiary education increased from 11.5% in 2006 to 23.9% in 2013

(Source: UNESCO).

## Outlook

India's growth is projected to be among the fastest growing global economies between 2016 and 2020; the country is projected to emerge as the 3<sup>rd</sup> largest economy and its GDP approximately trebling to \$7 trillion by 2030. The adoption of the Goods and Service Tax

promises to create a unified taxation regime.

(Source: Oliver Wyman).

Normal 2017 monsoons and reduced commodity prices are expected to catalyze economic growth.

The Asian Development Bank expects the Indian economy to grow at an accelerated 7.4% in 2017-18 and 7.6% in 2018-19, retaining its position as the world's fastest-growing major economy.

(Source: IMF, World Bank, RBI, IBEF).

## Indian paper industry – sectoral overview

Despite digitisation becoming a ubiquitous phenomenon around the world, the paper industry in India has seen demand accelerate on the back of increasing literacy, growing GDP and enhanced disposable incomes. The Government of India's decision to establish rules and regulations to control the degradation of forests has caused the focus of key sectoral players to shift in favour of eco-friendly products and technologies.

The Indian paper sector has a cumulative capacity of ~15 million tonnes per annum and a turnover of ~₹50,000 crore, thereby accounting for a 3% share of the global output. Of the 750 paper mills across the country's fragmented paper industry, only 50 have the capacity to produce 50,000 or more metric tonnes per annum. ~70% of the total installed capacity is spread across the states of Gujarat, West Bengal, Odisha, Andhra Pradesh, Karnataka and Maharashtra. The Indian paper industry provides direct employment to >5 lakh people and indirectly to 15 lakh people. Between FY2012-13 and FY2016-17, investments worth ₹20,000 crore and ₹25,000 crore were infused into the sector so as to scale capacities, upgrade technologies and foster mergers and acquisitions. The current industry demand has been pegged at ~16 million tonnes with over 2 million tonnes being imported annually. Imports have risen at a CAGR of 11.4%

in terms of value (from ₹7,152 crore in 2010-11 to ₹12,284 crore in 2015-16) and 7.9% in terms of volume (from 1.8 million tonnes to 2.6 million tonnes over the same period). Import duties on paper and paperboard have declined from a base rate of 10% to nil, affecting fresh capacity creation

(Source: IBEF)

**India is the fastest-growing paper market globally. The industry is growing at a rate of more than 7% and is expected to grow at over 4% per annum till 2030.**

**Writing and printing:** In recent years, electronic telecommunications have significantly reduced the use of paper. The easy availability of data from discs and computers seem more appealing and economic. Print media in India grew by 61% during the last decade while print circulation increased at a CAGR of 4.87% to 62.8 million a day during the same period. Looking ahead, print advertising is expected to account for about \$2.8 billion of the total ~US\$9.5 billion advertising market in 2017. The past years have witnessed a significant shift in technology, with customers choosing cost-effective ink tank printers compared to laser printers. Hence, there is a huge potential for the country's paper and print industry driven by the need for high-quality products. The proof: the production of print machinery registered a y-o-y growth of 20% in the last few years. It is estimated that the size of the Indian printing industry will reach US\$ 29.3 billion in 2017 from US\$ 24.3 billion in 2014, growing at a rate of 6.8%. This includes packaged and published printing segments. The published printing segment is projected to grow from US\$ 3.9 billion in 2014 to US\$ 4.5 billion in 2017 primarily driven by an increasing population, growing literacy and a burgeoning economy. India offers additional advantages in terms of low labour costs, English language proficiency, design capabilities, talent pool and technology platforms for

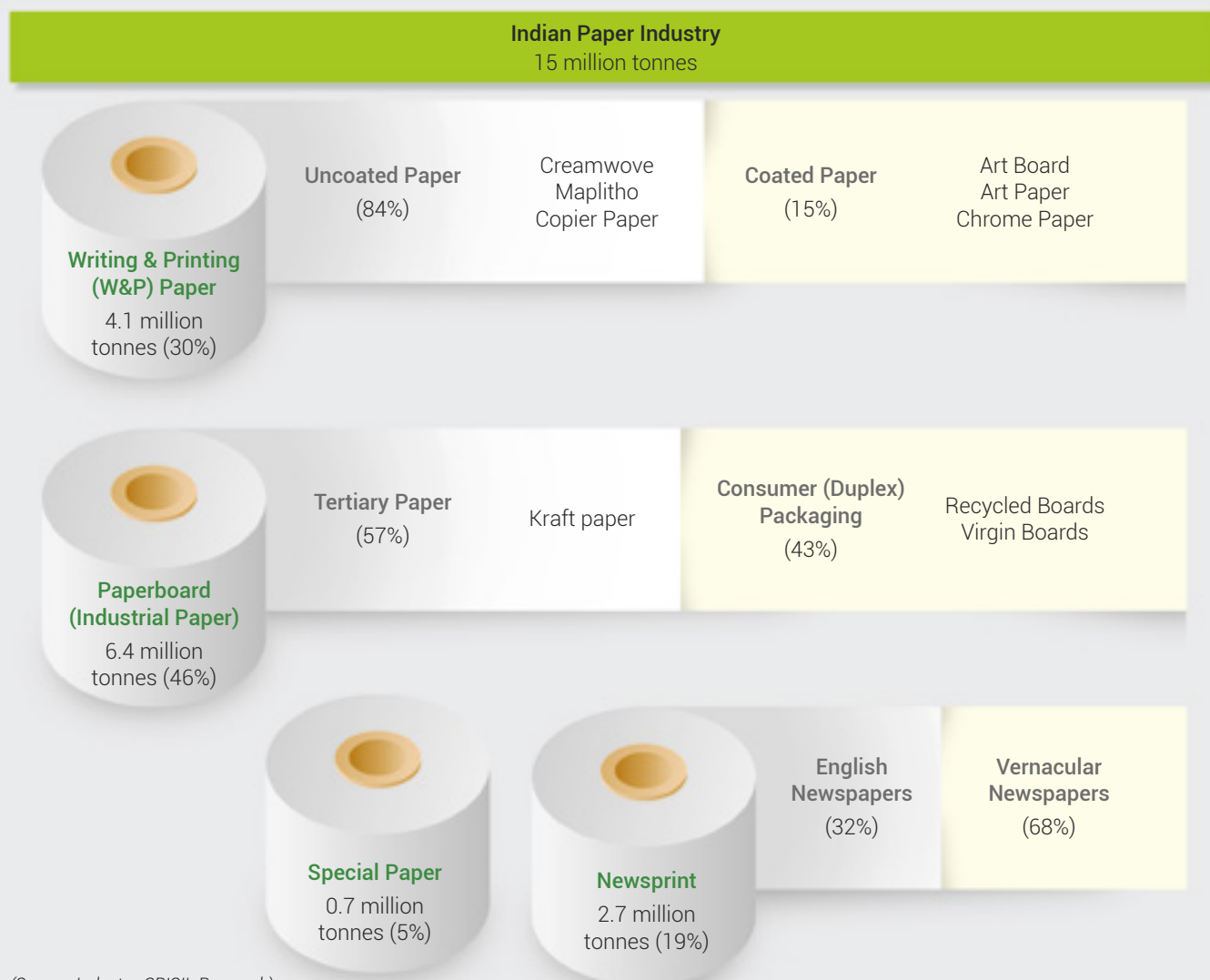
international clients from the US, the UK and Japan. With the country's per capita consumption being one of the lowest (10 kilograms), the industry's export prospects can be considered especially bright. In line with this, the Government of India has acknowledged the paper sector as one of the 35 listed high-priority industries. The Central Government's thrust on policies such as Right to Education and Sarva Shiksha Abhiyan will significantly contribute to the growth of this segment. The impact of the GST is yet to be seen, with the council setting a rate of 28% on all printers and further revising the rates for single function printers to 18%.

(Source: Audit Bureau of Circulations, Group M)

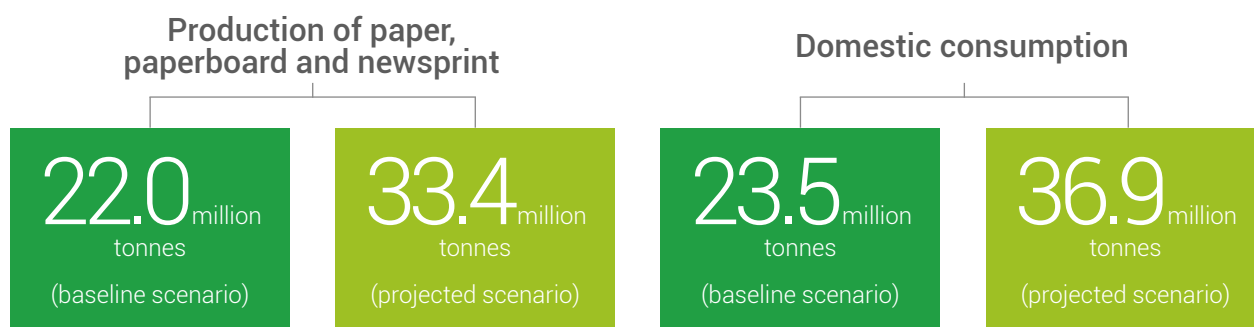
**Packaging and paperboard:** Broadly catering to the tertiary and flexible packaging needs of industries such as FMCG, pharmaceuticals and textiles, the packaging paper and board segment accounts for a 46% share of the domestic paper industry. Growth in this sector has been fuelled by increasing urbanisation and deepening penetration of organised retailing and accelerating growth in FMCG and pharmaceutical sectors. Another factor that has provided a substantial stimulus to the packaging machinery industry is the rapid growth of exports, which requires superior packaging standards for international markets. The packaging industry grew at a rate of 7.8% during the year, contributing to ~43% of the total print product sales. The market size of the packaged printing sector is pegged to increase from US\$ 10.2 billion in 2014 to US\$ 12.7 billion in 2017, driven by an increasing demand for non-commodity consumer goods in developed countries in the Asia-Pacific. The paperboard packaging segment is valued at ₹100 billion and is forecast to grow at a rate of 11.4% per annum to reach US\$ 32 billion by 2020.

(Source: CRISIL report)

## Structure of the Indian paper industry (2015-16)



## Projected and baseline production and consumption levels (2024-25)



(Source: IPMA)

## SWOT analysis

### Strengths

Large and growing domestic paper market  
Relatively low personnel and fuel costs  
State-of-the-art R&D  
In-depth knowledge of non-wood pulping applications

Robust demand

Thorough knowledge of local markets

### Opportunities

Availability of cost-competitive labour  
Domestic market potential  
Increased investment in the education sector  
Growing literacy rates  
Manufacturing excellence  
High-end technology platform  
Rising demand from FMCG and pharma sectors

### Weaknesses

Fibre shortage  
Small and fragmented industry structure  
Dearth of skilled manpower  
Quality and availability of some of the domestic pigments and chemicals  
Environmentally-unfriendly practices  
Outdated automation in the unorganised vertical

### Threats

Lack of superior pricing power  
Threat of imports  
Increased dependency on imported raw materials  
Fluctuating input costs  
Environmental restrictions  
Stagnating capex investments  
Capacity constraints

## Demand drivers

Emerging trend		Growth in online retail	
<b>What it means</b>		India's e-commerce market's growth rate of 51% is expected to increase to \$120 billion in 2020	
<b>Impact on the Indian paper industry</b>		The increasing demand for packaging materials such as cartons and envelopes will enhance sectoral prospects	
<b>Impact on Ruchira Papers Limited</b>		Stronger offtake of paperboard required for the packaging of consumer products	
Emerging trend		Growth in the services sector	
<b>What it means</b>		India's 16%-plus annual growth rate in the services sector between 2006 and 2014 has been driven by export of IT and BPO services	
<b>Impact on the Indian paper industry</b>		With India's service sector growing robustly, the use of paper should increase manifold	
<b>Impact on Ruchira Papers Limited</b>		This can bolster the offtake of writing and printing products	
Emerging trend		Expanding domestic workforce	
<b>What it means</b>		India's work-force is expected to increase to 940 million by 2021	
<b>Impact on the Indian paper industry</b>		An increasing workforce will entail a greater dependence on paper work coupled with computing	
<b>Impact on Ruchira Papers Limited</b>		Rising paper consumption is expected to drive profit margins of the paper manufacturing sector	

Emerging trend	Increasing student enrolment
<b>What it means</b>	Between 2000-01 and 2013-14, the number of children who enrolled in primary schools increased by 1.86 crore and at the upper primary level by >2 crore
<b>Impact on the Indian paper industry</b>	Assuming that each student uses 10 kilograms of paper a year, the enrolment of 1 crore students could result in an additional demand of ~1 lakh tonnes of paper
<b>Impact on Ruchira Papers Limited</b>	Increasing student enrolments could ensure steady sales for the writing & printing vertical

Emerging trend	Conducive Budgetary initiatives
<b>What it means</b>	The Union Budget 2017-18 has allocated a sum of ₹79,685.95 crore for the education sector, up by 9.9% from ₹72,394 crore in 2016-17
<b>Impact on the Indian paper industry</b>	The greater financial freedom accorded to extant programmes (Sarva Siksha Abhiyan) and new ones (Prime Minister's Research Fellowship) bodes well for the paper sector
<b>Impact on Ruchira Papers Limited</b>	With the Central Government spending more on improving the country's educational infrastructure, the growing offtake of writing and printing products could be sustained

Emerging trend	Growing national consumption
<b>What it means</b>	Between 2006 and 2015, India's middle-class households saw a 2.9x increase in per capita consumption levels
<b>Impact on the Indian paper industry</b>	The swelling demand for FMCG products, pharmaceuticals and packaged ready-to-eat foods are driving the use of paperboards and packaging material
<b>Impact on Ruchira Papers Limited</b>	Rising consumption levels should drive revenues and help the Company amortise fixed costs better

Emerging trend	Urbanisation-fuelled job growth
<b>What it means</b>	32% of the country's population resides in urban India and this metric is expected to rise to 40% by 2030
<b>Impact on the Indian paper industry</b>	More jobs in urban locations could entail a sizeable increase in paper demand
<b>Impact on Ruchira Papers Limited</b>	Increased demand for the Company's products could strengthen long-term profitability

Emerging trend	Back-up documentation option
<b>What it means</b>	Paper serves as a backup option, as digitised versions are vulnerable to malicious software, power outages and unforeseen deletions
<b>Impact on the Indian paper industry</b>	India has had an affinity for traditional paper-based documentation
<b>Impact on Ruchira Papers Limited</b>	This need for backup documentation could strengthen the demand for writing and printing paper

(Source: CEIC, Economist Intelligence Unit, Euromonitor)

## Outlook

A rise in the consumption of paper by 1 kilogram per capita could result in a demand increase by an estimated 1.25 million tonnes. Compared to a per-capita consumption global average of 58 kilograms, India's per capita consumption is a mere 10 kilograms, leaving ample opportunity for growth. Additionally, the paper consumption is expected to grow by 53% to ~20 million tonnes by 2020 and to ~23.5 million tonnes by 2024-25. The demand for writing and printing paper is projected to grow at a CAGR of 4-5% over the next five years, in comparison to 3.6% between 2010-11 and 2015-16, owing to the rise in literacy rate and demand from the education sector strengthens. Paperboard demand is expected to grow at a healthy rate of 7-8% over the next five years owing to the rising sales

of consumer durables, FMCG products, readymade garments, pharmaceuticals and e-commerce. Given this optimism, a million tonnes of integrated pulp, paper and paperboard capacity needs to be created annually to address the growing demand. This investment could result in a gross capital formation of ₹8,500 crore per annum and provide direct employment to an additional 15,000 people per year

(Source: PNB)

## Ruchira's product basket

The Company is primarily engaged in the manufacture of writing and printing paper and kraft paper.

**Writing and printing paper:** This type of paper is mainly used in manufacturing notebooks and other writing material. The colored paper is used to fabricate

spiral notebooks, wedding cards, shade cards, children's colouring books, coloured copier paper and bill books among other uses. The Company produced about 50,351 metric tonnes of this paper variety in 2016-17.

**Kraft paper:** This product finds application in the packaging industry for making of corrugated boxes, cartons and other packaging material. The specialty of the Company's kraft paper is that it has a high load bearing capacity and tensile strength which is useful for corrugated packaging applications. Ruchira also manufactures a special grade of kraft paper known as DTY grade and POY grade. These are used to produce textile tubes and paper core-pipes. The Company produced about 66,426 metric tonnes of kraft paper in 2016-17.

## Financial overview

Accounting policy: Ruchira Papers Limited follows the accrual basis of accounting. Its accounts are prepared on the basis of accounting standards as per Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2015.

Particulars	₹ crore		
	2016-17	2015-16	Growth (%)
Income from operations	417.38	362.58	15.11%
EBITDA	63.27	47.53	33.11%
PAT	32.05	19.47	64.61%
EPS	14.29	8.68	64.61%

- Total income increased by 15.11% from ₹362.58 crore in 2015-16 to ₹417.38 crore in 2016-17
- PBT surged from ₹31.76 crore in 2015-16 to ₹45.75 crore in 2016-17
- Net profit increased 64.61% from ₹19.47 crore in 2015-16 to ₹32.05 crore in 2016-17
- Finance costs increased by 6.47% from ₹7.40 crore to ₹7.92 crore
- Current tax expense for the year stood at ₹13.73 crore
- There was no MAT credit entitlement; deferred tax charge was ₹1.36 crore
- The Company's total assets increased to ₹290.33 crore in 2016-17 from ₹274.27 crore in 2015-16, representing an increase of 5.85%
- Capital work-in-progress (WIP) for the year increased to ₹3.40 crore in 2016-17
- The total loan funds stood at ₹70.25 crore. Out of which long-term borrowings stood at ₹28.60 crore and short term stood at 37.35 crore as on 31st March 2017

# Risk management

The management of risk requires a process of identification, assessment and management of existing and potential risks. The Company strives to ensure that these risks are controlled in an efficient and timely manner.

## Business environment risk

The paper industry is mature and capital-intensive. Competition and changes in the supply-demand in the industry could impact profitability.

The Company enjoys adequate access to low-cost supplies and proactively manages costs from spiraling out of control.

## Raw material risk

Non-availability of raw materials used in manufacturing can cause disruptions in the day-to-day operations of the Company.

The primary raw material used by Ruchira is agriculture residue i.e. bagasse (a byproduct of the sugarcane industry), wheat straw and other long-fibres like softwood, indigenous waste paper, among others, which are easily available.

## Climate change risk

With the adverse effects of climate change becoming increasingly manifest, paper manufacturers are seeking ways and means to reduce their carbon footprints.

The Company as a matter of principle has implemented clean, affordable and safe energy practices required for the transportation of raw materials and production of finished goods. It has taken a number of decisive steps to reduce its energy consumption.

## Market risk

The paper industry market is extremely volatile and is susceptible to risks that arise from changes in demand, price, competition, customers, suppliers and raw materials.

Ruchira regularly monitors and evaluates these factors to get a 360-degree perspective of the Company's fiscal health.

## Human resource risk

A talented and hardworking human pool is the key to the Company's success. Hence, any unforeseen attrition could pose a threat to the Company's profitability.

The Company evaluates the competence of its personnel through routine surveys and in-depth assessments. Structured programmes are conducted to train employees and implements annual succession plans as a hedge against attrition.

## Internal control systems and their adequacy

Given the magnitude and nature of its business, the Company needs to maintain sound and commercial practice with an effective internal control system. The system ensures that all transactions are authorised, recorded and reported correctly to safeguard assets and protect them from any loss due to unauthorised use or disposition. Internal audit reports are prepared to create awareness and to take corrective actions on the respective units or areas, which need rectification.

## Human resources

The Company believes that a motivated and efficient workforce can help it attain its targets. Taking cognisance of that fact, the Company provides extensive training to its employees in order to develop their skill sets and keep them motivated. As on March 31, 2017, it had an employee base of 997 people.

## Corporate Information

Board of Directors (as at 31.03.2017)

### Chairman & Whole Time Director

Subhash Chander Garg

### Co-Chairman & Whole Time Director

Jatinder Singh

### Managing Director

Umesh Chander Garg

### CFO & Whole Time Director

Vipin Gupta

### Independent Directors

Dalbir Singh

Surinder Gupta

Swatantar Kumar Dewan

Col(Retd) Avtar Singh Bajwa

Smt. 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)

Daljeet Singh VP (Commercial)

Lucky Garg VP (Marketing)

Ruchica G Kumar VP (Marketing)

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

44, Community Centre, 2nd Floor,

Naraina Industrial Area, Phase-I

Near PVR Naraina, New Delhi-110028

### Company's Website

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

### Corporate Identification Number

L21012HP1980PLC004336

## Notice

NOTICE is hereby given that the 37th ANNUAL GENERAL MEETING of the Members of RUCHIRA PAPERS LIMITED will be held on Thursday, 21st September, 2017 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 2017 together with the Reports of Board of Directors and Independent Auditors thereon;
2. To declare dividend on equity shares for the financial year 2016-17;
3. To appoint a Director in place of Mr. Umesh Chander Garg (DIN 01593400), who retires by rotation and being eligible, offers himself for re-appointment;
4. To ratify the appointment of Statutory Auditors of the Company and to fix their remuneration and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** in accordance with the provisions of Sections 139,141,142 and all other applicable provisions of the Companies Act, 2013(if any) and the rules made there under (Including any statutory modification(s) or re-enactment thereof for the time being in force), pursuant to recommendations of the Audit Committee and Board of Director and pursuant to the resolution passed by the members at the AGM held on 25th September 2014, the approval of the Members be and is hereby accorded to the ratification of the appointment of M/S Subhash Sajal & Associates, Chartered Accountants (ICAI Reg. No. 018178N) as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of next Annual General Meeting at a remuneration of ₹2,20,000/- (₹Two Lakh and Twenty Thousand only) (Previous Year-₹1,90,000/-) Plus applicable taxes and other out of pocket expenses as admissible in the course of their audit."

### SPECIAL BUSINESS:

5. 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), M/S Sanjay Kumar Garg & Associates, the Cost Auditors appointed by the Board of Directors of the Company, to conduct the audit of the cost records of the Company for the financial year 2017-18, to be paid remuneration of ₹65,000/-

(₹Sixty Five Thousand Only) plus applicable taxes and out of pocket expenses as recommended by the Audit Committee and approved by the Board be and is hereby ratified."

6. 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 and recommendation of the Nomination and Remuneration Committee and Audit Committee, and other requisite approvals, if any, the approval of the members be and is hereby accorded for revision in the managerial remuneration of Mr. Subhash Chander Garg, Whole Time Director of the Company, w.e.f 01st June 2017 for the period of Three Years 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 Salary: ₹16,00,000/- (Rupees Sixteen Lakh Only) per month.
- House Rent Allowance @ 20% of the Basic Salary.
- Reimbursement of Medical expenses incurred in India or abroad for himself and family subject to ceiling of ₹1,00,000/- in a Year.
- Club Fees not exceeding ₹20,000/- in a year.
- Car, Telephone, Cell Phone, PC shall be provided and their maintenance and running expenses shall be met by the Company for official purpose only.
- Reimbursement of actual traveling, boarding and lodging expenses and other amenities as may be incurred by him from time to time, in connection with the Company's business.

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.

Notwithstanding anything contrary contained herein, where in any financial year during the currency of tenure of Mr. Subhash Chander Garg, 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

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Section II of Part II of Schedule V to the Companies Act, 2013.

**RESOLVED FURTHER THAT** Board of Directors and/or Nomination and 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** Mr. Vishav Sethi, Company Secretary of the Company 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 the forgoing resolution."

7. 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 and recommendation of the Nomination and Remuneration Committee and Audit Committee, and other requisite approvals, if any, the approval of the members be and is hereby accorded for revision in the managerial remuneration of Mr. Jatinder Singh, Whole Time Director of the Company, w.e.f 01st June 2017 for the period of Three Years 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 Salary: ₹16,00,000/- (Rupees Sixteen Lakh Only) per month.
- House Rent Allowance @ 20% of the Basic Salary.
- Reimbursement of Medical expenses incurred in India or abroad for himself and family subject to ceiling of ₹1,00,000/- in a Year.
- Club Fees not exceeding ₹20,000/- in a year.
- Car, Telephone, Cell Phone, PC shall be provided and their maintenance and running expenses shall be met by the Company for official purpose only.
- Reimbursement of actual traveling, boarding and lodging expenses and other amenities as may be incurred by him from time to time, in connection with the Company's business.

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.

Notwithstanding anything contrary contained herein, where in any financial year during the currency of tenure of Mr. Jatinder Singh, 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 and 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 with in the overall limits approved by the Shareholders of the Company.

**RESOLVED FURTHER THAT** Mr. Vishav Sethi, Company Secretary of the Company 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 the forging resolution."

8. 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 and recommendation of the Nomination and Remuneration Committee and Audit Committee, and other requisite approvals, if any, the approval of the members be and is hereby accorded for revision in the managerial remuneration of Mr. Umesh Chander Garg, Managing Director of the Company, w.e.f 01st June 2017 for the period of Three Years 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 Salary: ₹16,00,000/- (₹Sixteen Lakh Only) per month.
- House Rent Allowance @ 20% of the Basic Salary.
- Reimbursement of Medical expenses incurred in India or abroad for himself and family subject to ceiling of ₹1,00,000/- in a Year.
- Club Fees not exceeding ₹20,000/- in a year.
- Car, Telephone, Cell Phone, PC shall be provided and their maintenance and running expenses shall be met by the Company for official purpose only.
- Reimbursement of actual traveling, boarding and lodging expenses and other amenities as may be incurred by him from time to time, in connection with the Company's business.

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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.

Notwithstanding anything contrary contained herein, where in any financial year during the currency of tenure of Mr. Umesh Chander Garg, 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 and 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 with in the overall limits approved by the Shareholders of the Company.

**RESOLVED FURTHER THAT** Mr. Vishav Sethi, Company Secretary of the Company 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 the forging resolution."

9. 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 and recommendation of the Nomination and Remuneration Committee, and subject to other requisite approvals, if any, the approval of the members be and is hereby accorded for revision in the managerial remuneration of Mr. Vipin Gupta, CFO & Executive Director of the Company, w.e.f 1st June, 2017 for the period of One Year i.e up to 31st May 2018 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: ₹3,10,000 /- P.M (₹Three Lakh and Ten Thousand Only)
- 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.

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 Remuneration & Nomination 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** Mr. Vishav Sethi, Company Secretary of the Company 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 the forging resolution."

10. To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of sections 188(1) (f) of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 including statutory modification(s) or re- enactment thereof for the time being in force and as may be enacted from time to time, the approval of the members be and is hereby accorded for revision in the Basic Pay of related parties holding office or place of profit, w.e.f 01st July 2017 as detailed in the Explanatory Statement while other terms and conditions remains the same.

**RESOLVED FURTHER THAT** the Nomination & Remuneration Committee/Board of Directors has the liberty to alter and vary such remuneration in accordance with the provisions of the Companies Act, 2013 to effect change in designation and responsibilities of the persons holding office or place of profit within the limits approved by the shareholders.

**RESOLVED FURTHER THAT** for the purpose of giving effect to

## Notice

the foregoing Resolution, Mr. Vishav Sethi, Company Secretary of the Company be and is hereby authorized to do all such acts, deeds, matters and things, as may be considered necessary, proper or desirable in the said regard including filling of returns with any authority."

11. To consider and, if thought fit, to pass the following resolution as a Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of section 188 of the Companies Act, 2013 read with Companies (Meeting of Board and Its Powers) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and provisions of Regulation 23(8) of the SEBI (Listing Obligations and Disclosure Requirement), 2015 including statutory modification(s) or re- enactment thereof for the time being in force and as may be enacted from time to time, approval/ratification of the members be and is hereby accorded for the transaction(s) of purchase of Raw Material/Fuel from M/S

Jasmer Foods Private Limited(related party) for an amount up to ₹30.00 Lakh during F.Y 2016-17."

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transactions with the related party, make such changes to the terms and conditions as may be considered necessary or desirable in order to give effect to this resolution in the best interest of the Company."

By order of the Board  
For Ruchira Papers Limited

Place: Kala-Amb (HP)  
Date: 08.08.2017

**Vishav Sethi**  
(Company Secretary)

### Notes:-

1. THE EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 SETTING OUT ALL MATERIAL FACTS 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, then such proxy shall not act as a proxy for any other person or shareholder.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Friday, 15th September 2017 to Thursday, the 21st September 2017 (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 37th Annual General Meeting and the Annual Report for 2016-17 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 CDSL [www.evotingindia.com](http://www.evotingindia.com).
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 Wednesday, 04th October 2017 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 Thursday, 14th September 2017;
  - 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 Thursday, 14th September 2017.
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.

## Notice

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 2016-17 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. 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. A letter to this effect has already been sent to the concerned Shareholders.
  17. 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 30.09.2016 (date of last Annual General Meeting) on website of the Company, as also with Ministry of Corporate Affairs.
  18. 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 Central Depository Services (India) Limited (CDSL).
- 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 instructions for shareholders voting electronically are as under:**
- (i) The voting period begins on Monday, 18th September 2017 (9.00 a.m) and ends on Wednesday, 20th September 2017 (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 Thursday, 14th September 2017 ('Cut-off date') may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
  - (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
  - (iii) Click on Shareholders.
  - (iv) Now Enter your User ID
    - a. For CDSL: 16 digits beneficiary ID,
    - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
    - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - (v) Next enter the Image Verification as displayed and Click on Login.
  - (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any Company, then your existing password is to be used.

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(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and 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 the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN Field.</li> </ul>
DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio 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.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

(viii) After entering these details appropriately, click on "SUBMIT" tab.

(ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other Company on which they are eligible to vote, provided that Company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

(x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.

(xi) Click on the EVSN for the RUCHIRA PAPERS LIMITED on which you choose to vote.

(xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select

the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.

(xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.

(xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

(xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xvii) If Demat account holder has forgotten the same password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

(xviii) Note for Non – Individual Shareholders and Custodians

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
- After receiving the login details a compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
- The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
- A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

(xix) Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Please follow the instructions as prompted by the mobile app while voting on your mobile.

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- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). Or you may contact Mr. Vishav Sethi, Company Secretary at [investor@ruchirapapers.com](mailto:investor@ruchirapapers.com).

### 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 CDSL [www.evotingindia.com](http://www.evotingindia.com), immediately after the declaration of result by the Chairman or a person authorized by him in writing and communicated to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

### Transfer to Investor Education & Protection Fund:

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

## ANNEXURE TO THE NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

#### ITEM NO. 4:

This explanatory statement is provided though not required as per Section 102 of the Act.

At the 34th Annual General Meeting (AGM) of the Company held on 25th September 2014, M/S Subhash Sajal & Associates, Chartered Accountants (ICAI Reg. No. 018178N) have been appointed as the Statutory Auditors to hold the office till the conclusion of the 38th Annual General Meeting. In terms of the Provisions of the Companies Act, 2013, it is necessary to get the appointment ratified by the Shareholders at every Annual General Meeting until the expiry of the period of appointment.

In view of the above, the Board of Directors recommends the ratification of M/S Subhash Sajal & Associates, Chartered Accountants (ICAI Reg. No. 018178N) as the Statutory Auditors of the Company as mentioned at Item No. 04 to the AGM Notice.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the Resolution.

The Board recommends the resolution for approval of the members by way of Ordinary Resolution.

#### ITEM NO.5:

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 2017-18.

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 shareholders of the Company.

Accordingly the approval of the members is sought for passing an

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Ordinary Resolution as set out at Item no.5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the Financial Year 2017-18.

None of the Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the Resolution.

### ITEM No. 6, 7 & 8:

Mr. Subhash Chander Garg, Mr. Jatinder Singh and Mr. Umesh Chander Garg had been re-appointed as Whole Time Director, Whole Time Director and Managing Director respectively at the Annual General Meeting of the Company held on 25th September 2015, for the period of five years w.e.f 01st September 2015. The Remuneration was approved for the period of Two Years w.e.f 01st September 2015.

The Board, in view of their contribution to the Company's growth, business and the qualification and experience they holds and on recommendation of Nomination and Remuneration Committee and Audit Committee, recommends the revision in the remuneration payable to them as set out in their respective resolutions at Item No. 6,7 & 8 of the notice.

As per the provision of Section-II of Part-II of Schedule V of the Companies Act, 2013, a Special Resolution is required to be passed for payment of managerial remuneration; therefore approval of the members by way of a Special Resolution is sought for revision in payment of remuneration w.e.f 01st June 2017 for the period of three years i.e up to 31st May 2020 to them.

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 them are 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(s) 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 Three years;

- (iv) a statement containing further information is set out in the Annexure to the Notice.

Save and except Mr. Subhash Chander Garg, Mr. Jatinder Singh and Mr. Umesh Chander Garg and their relatives who are concerned/interested in their respective resolutions, none of the other Directors or Key Managerial Personnel of the Company or their relatives is concerned or interested in the Resolution(s).

### ITEM NO. 9:

Mr. Vipin Gupta had been 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 01st November 2016. He 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. However 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 22nd May 2017 approved the remuneration payable to Mr. Vipin Gupta for the period of One Year effective from 01st June 2017. 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.

No director, except Mr. Vipin Gupta, to whom the resolution relates, is interested or concerned in the resolution No. 9.

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### ITEM NO. 10:

The provisions of section 188(1) of the Companies Act, 2013 Act that govern the Related Party Transactions require a Company to obtain prior approval of the Board of Directors and in certain cases approval of the shareholders also required.

Section 188(1)(f) of the Companies Act, 2013 provides for the related party's appointment to any office or place of profit. The Board of Directors of the Company on the recommendation of the Nomination and Remuneration Committee, at their meeting held on 22nd May 2017 had consented for revision in the remuneration payable to Senior Vice

President and Vice Presidents (related parties holding office or place of profit) w.e.f 01st July 2017, subject to approval of the Shareholders by way of an Ordinary Resolution.

The details of the increased remuneration are given below. As per section 188(1)(f) of the Companies Act, 2013, your Directors recommends the resolutions for your approval. Mr. Umesh Chander Garg, Managing Director, Mr. Jatinder Singh, Whole Time Director and Mr. Subhash Chander Garg, Whole Time Director, being relatives are deemed to be interested or concerned in the respective offices.

### Related Party Transaction--(Remuneration to related parties holding office or place of profit)

Name of Related Parties:	Name of the director or KMP who is related.	Nature of Relationship.	Transaction defined U/S 188(1)(f) of the Companies Act, 2013 i.e Related Party holding office or place of profit.	
			Designation	Monthly Remuneration payable individually w.e.f 01st July 2017.
Mrs. Parveen Garg	Mr. Subhash Chander Garg	Wife of Mr. Subhash Chander Garg	Senior VP-CSR	<ul style="list-style-type: none"> <li>Basic Salary: ₹4,00,000/- (₹Four Lakh Only) P.M.</li> <li>HRA @ 15% per month of the Basic Salary.</li> <li>Telephone: Mobile/Telephone facility as per the Company's rules.</li> <li>Leave encashment as per the Company's rules.</li> <li>Employees' Provident Fund: Company's contribution towards Employees' Provident Fund as per Provisions of Employees' Provident Fund Act.</li> <li>Gratuity: Payable at a rate not exceeding half a month's salary for each completed year of service as per the Company's rules.</li> <li>Reimbursement of actual traveling, boarding and lodging expenses and other amenities as may be incurred by them from time to time, in connection with the Company's business.</li> </ul>
Ms. Radhika Garg	Mr. Subhash Chander Garg	Daughter of Mr. Subhash Chander Garg	VP-Marketing(NR)	
Ms. Ruchica G Kumar	Mr. Subhash Chander Garg	Daughter of Mr. Subhash Chander Garg	VP-Marketing	
Mr. Deepan Garg	Mr. Umesh Chander Garg	Son of Mr. Umesh Chander Garg	VP-Technical	
Mr. Lucky Garg	Mr. Umesh Chander Garg	Son of Mr. Umesh Chander Garg	VP-Marketing	
Mr. Atul Garg	Mr. Umesh Chander Garg	Son of Mr. Umesh Chander Garg	VP-Administration	
Mr. Jagdeep Singh	Mr. Jatinder Singh	Son of Mr. Jatinder Singh	VP-Operations	
Mr. Daljeet Singh	Mr. Jatinder Singh	Son of Mr. Jatinder Singh	VP-Commercial	

## Notice

### ITEM NO. 11:

The provisions of section 188(1) of the Companies Act, 2013 Act that govern the Related Party Transactions require a Company to obtain prior approval of the Board of Directors and in certain cases approval of the shareholders also required.

The Audit Committee of the Company vide its meeting dated 24th October 2016 granted its omnibus approval to make transaction(s) with M/S Jasmer Foods Private Limited(related party) for the purchase of Raw material/Fuel up to aggregate amount of ₹30 Lakh in single/multiple transactions during the F.Y 2016-17 at an arm's length basis. As a result, the Company entered into transaction(s) with M/S Jasmer Foods Private limited for an amount of ₹26.01 Lakh during F.Y 2016-17. The Company is seeking shareholders approval/ratifications for the above transaction entered with the related party.

Mr. Jatinder Singh, Whole Time Director and his family are concerned or interested in the resolution. None of the other Directors/KMP or their relatives is in any way concerned or interested in the resolution.

The Board of Directors recommends the above ordinary resolution for your approval.

Details in respect of related party transactions is as below:

Name of the Related Party	Jasmer Foods Private Limited
Name of Director or KMP who is related	Mr. Jatinder Singh, Whole Time Director
Nature of relationship	Mr. Jatinder Singh, Holding Shares and Directorship in the related party entity.
Nature, Material terms, monetary value and particulars of the transaction.	Purchase of Raw Material/Fuel up to ₹30.00 Lakh during F.Y 2016-17 at an Arm's Length Price.
Any advance paid or received or any other information for the above, if any	Nil

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

Place: Kala-Amb  
Date : 08.08.2017

By order of the Board  
For Ruchira Papers Limited

**Vishav Sethi**  
Company Secretary

## Notice

### INFORMATION PURSUANT TO SS-2 OF SECRETARIAL STANDARDS ON GENERAL MEETING AND REGULATION 36(3) OF THE LISTING REGULATION REGARDING APPOINTMENT OR RE-APPOINTMENT OF THE DIRECTORS AND/OR FIXATION OF REMUNERATION AT THE FORTHCOMING ANNUAL GENERAL MEETING.

Name of Director	Mr. Subhash Chander Garg	Mr. Jatinder Singh
Category	Executive, Promoter	Executive, Promoter
Date of Birth	02.06.1942	19.10.1954
Date of re-appointment	01.09.2015	01.09.2015
Qualifications	Graduate in Law.	Engineering Graduate.
Brief Profile and Expertise in Specific functional area	Mr. Subhash Chander Garg aged 75 years is Whole Time Director of the Company. He is looking after the Marketing, Sales, Taxation and Company Law Matters. He has been associated with the Company since its inception as Promoter Director.	Mr. Jatinder Singh aged 63 years is Whole Time Director of the Company. He is looking after the Finance, Administration, Raw Material procurement and HR Functions. He has been associated with the Company since its inception as Promoter Director.
Chairman/ Member of committees of the Board of Companies of which he is a director	Ruchira Papers Limited: Member: Stakeholders Relationship Committee & Corporate Social Responsibility Committee.	Ruchira Papers Limited. Member: Audit Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Allotment Committee.
Shareholding as on 31.03.2017	848170 Equity Shares.	2359090 Equity Shares
Last Remuneration Drawn	₹8.00 Lakh p.m. Plus 20% (HRA) plus other benefits as approved by Shareholders vide Special Resolution dated 25.09.2015.	₹8.00 Lakh p.m. Plus 20% (HRA) plus other benefits as approved by Shareholders vide Special Resolution dated 25.09.2015.
Relationship with other Directors/KMP inter-se	Related to Mr. Umesh Chander Garg.	Nil
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.

Name of Director	Mr. Umesh Chander Garg	Mr. Vipin Gupta
Category	Executive, Promoter	Executive, Professional
Date of Birth	08.04.1949	25.05.1969
Date of re-appointment	01.09.2015	01.11.2016
Qualifications	Pre University-Technical	Post Graduate in Commerce
Brief Profile and Expertise in Specific functional area	Mr. Umesh Chander Garg aged 68 years is Managing Director of the Company. He is looking after the Production, maintenance, plant erection and expansion programs. He has been associated with the Company since its inception as Promoter Director.	Mr. Vipin Gupta aged 48 years, presently designated as CFO & Executive Director and is looking after Finance & Accounts of the Company.
Chairman/ Member of committees of the Board of Companies of which he is a director	Ruchira Papers Limited: Member: Corporate Social Responsibility Committee.	Ruchira Papers Limited: Member: Corporate Social Responsibility Committee, Allotment Committee
Shareholding as on 31.03.2017	1268855 Equity Shares.	18742 Shares
Last Remuneration Drawn	₹8.00 Lakh p.m. Plus 20% (HRA) plus other benefits as approved by Shareholders vide Special Resolution dated 25.09.2015.	₹2.60 Lakh P.M Plus 15% (HRA) plus other benefits as approved by the Shareholders vide Special Resolution dated 30.09.2016.
Relationship with other Directors/KMP inter-se	Related to Mr. Subhash Chander Garg.	Nil
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.

## Notice

## 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 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>2016-17 (₹ In Lakhs)</b>	<b>2015-16 (₹ In Lakhs)</b>	<b>2014-15 (₹ In Lakhs)</b>
		Sales	41737.58	36258.12	34656.06
		PBT	4575.26	3176.96	2044.37
		PAT	3204.89	1947.06	1283.24
		Dividend proposed/Paid	22.5%	15%	13%
5.	Export Performance and Net Foreign Exchange Collection	During the year 2016-17, Foreign Exchange earnings were ₹3.96 Crore and outgoings were ₹2.56 Crore.			
6.	Foreign investments or collaborators, if any.	Nil			

## II. INFORMATION ABOUT THE APPOINTEE/ EXISTING MANAGERIAL PERSONNEL TO WHOM INCREASED REMUNERATION IS PROPOSED:

		Mr. Subhash Chander Garg, Whole Time Director	Mr. Jatinder Singh, Whole Time Director	Mr. Umesh Chander Garg, Managing Director	Mr. Vipin Gupta, CFO & Executive Director
1.	Background Details	Mr. Subhash Chander Garg aged 75 years is Whole Time Director of the Company. He is looking after the Marketing, Sales, Taxation and Company Law Matters. He has been associated with the Company since its inception as Promoter Director.	Mr. Jatinder Singh aged 63 years is Whole-Time Director of the Company. He is an Engineering graduate and is looking after Finance, Administration, Raw material procurement and HR Functions. He is associated with the Company since its inception as Promoter Director.	Mr. Umesh Chander Garg aged 68 years is Managing Director of the Company. He is looking after the production, maintenance, Plant erection and expansion programmes. He is associated with the Company since its inception as Promoter Director.	Mr. Vipin Gupta, aged 47 Years is working as professional Whole Time Director With the Company. He is heading the Finance and Accounts of the Company. He is associated with the Company for the past 26 Years.
2.	Past Remuneration	₹8.00 Lakh p.m. Plus 20% (HRA) plus other benefits as approved by Shareholders vide Special Resolution dated 25.09.2015.	₹8.00 Lakh p.m. Plus 20% (HRA) plus other benefits as approved by Shareholders vide Special Resolution dated 25.09.2015.	₹8.00 Lakh p.m. Plus 20% (HRA) plus other benefits as approved by Shareholders vide Special Resolution dated 25.09.2015.	₹2.60 Lakh P.M Plus 15% (HRA) plus other benefits as approved by the members' vide special resolution dated 30.09.2016

## Notice

3.	Recognition or awards.	He is closely associated with the ROTARY CLUB and has also served as District Governor, D.I.-3080.	-	He is a President of Kala-Amb Chamber of Commerce and Industries, Kala-Amb.	-
4.	Job Profile and his suitability.	As per (1) above	As per (1) above	As per (1) above	As per (1) above
5.	Remuneration proposed.	As set out in the resolution at Item No. 06 of the Notice of the AGM.	As set out in the resolution at Item No. 07 of the Notice of the AGM.	As set out in the resolution at Item No. 08 of the Notice of the AGM.	As set out in the resolution at Item No. 09 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.	The remuneration proposed to be paid to the Director is comparable with the remuneration being paid for similar assignments in the Industry.	The remuneration proposed to be paid to the Director is comparable with the remuneration being paid for similar assignments in the Industry.	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 no pecuniary relationship with the Company except that Mr. Umesh Chander Garg, Managing Director is the brother of Mr. Subhash Chander Garg.	Beside the Remuneration Proposed no pecuniary relationship with the Company.	Beside the Remuneration Proposed no pecuniary relationship with the Company except that Mr. Subhash Chander Garg, Whole Time Director is the brother of Mr. Umesh Chander Garg.	Beside the Remuneration Proposed no pecuniary relationship with the Company.

## III. OTHER INFORMATION:

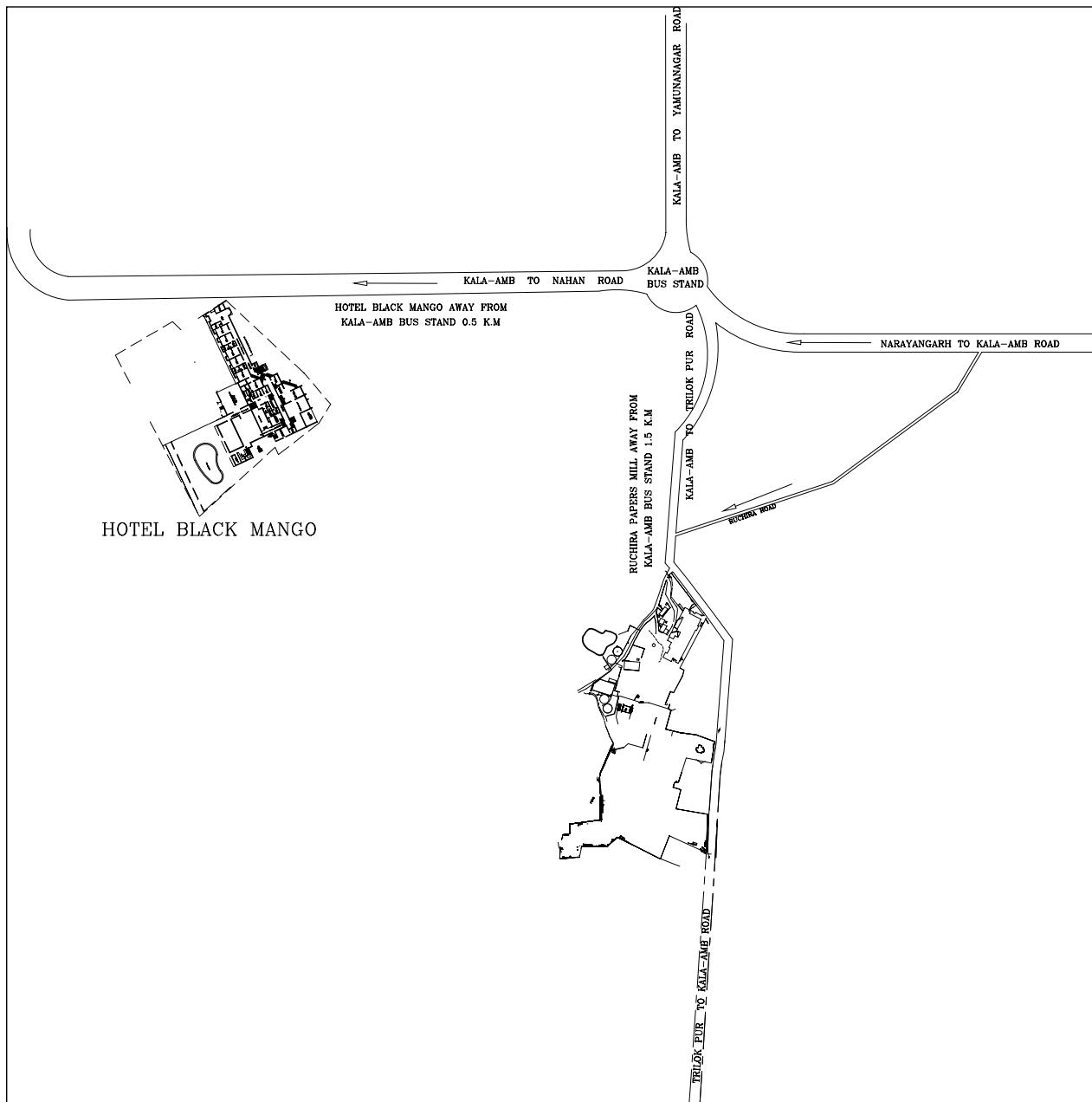
1.	Reasons of inadequate profits	During the Financial Year ended 31st March 2017, the Company did not have adequate profits for payment of managerial remuneration under section 197 and Schedule V of the Companies Act, 2013. The profitability has increased during the year but the remuneration proposed does not fall under the limits as specified under section 197 resulted inadequacy of profits during the F.Y. 2016-17.
2.	Steps taken or proposed to be taken for improvement	The Company has been consistently operating at higher levels. The Company continued its growth journey through expansions and setting up of Writing & Printing Paper unit in 2008. During the Year 2015-16, the Company had implemented the De-Bottlenecking programme, which resulted in Increase in production from 99000 TPA to 116777 TPA in 2016-17. The Company is expecting the production of 128000 TPA for the F.Y 2017-18. Further the Company has achieved turnover of ₹417.37 Crore, which is showing upward trend and positive sign of growth of the Company. 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 2016-17, the Kraft Paper Production was 66426.012 MT and Writing and Printing Paper production was 50350.679 MT. The production of the Kraft is likely to increase to 73000 MT and Writing and Printing Paper to 55000 MT. The profits are also likely to increase alongside with the production.

## Notice

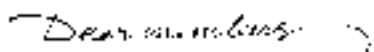
### IV. DISCLOSURE

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



## Directors' Report



We are delighted to present report of directors on our business and operations for the year ended 31st March, 2017.

**FINANCIAL RESULTS:**

The Company's financial performance for the year ended 31st March 2017 is summarized below:

		(₹ in Lakhs)	
S. No	Particulars	2016-17	2015-16
I	Revenue from Operations (Net of Excise Duty)	41737.58	36258.12
II	Other Income	100.28	114.46
III	<b>Total Revenue (I+II)</b>	<b>41837.86</b>	<b>36372.58</b>
IV	<b>Expenses</b>		
	Cost of materials consumed	26744.68	22929.24
	Changes in inventories of finished goods, work-in-progress and stock-in-trade	(270.41)	339.18
	Employee benefits expense	3388.88	2954.25
	Finance Cost	791.78	740.40
	Depreciation and amortisation expense	1059.41	950.40
	Other expenses : i) Manufacturing Expenses	4578.27	4482.18
	ii) Selling, Distribution and Establishment exp.	968.78	805.03
	<b>Total expenses</b>	<b>37261.39</b>	<b>33200.68</b>
V	Profit before exceptional and extraordinary items and tax (III-IV)	4576.47	3171.9
VI	Exceptional items	1.20	(5.06)
VII	Profits before extraordinary items and tax (V-VI)	4575.27	3176.96
VIII	Extraordinary items (Net of Tax Expense)	--	--
IX	<b>Profits Before Tax</b>	<b>4575.27</b>	<b>3176.96</b>
X	<b>Tax Expenses</b>		
	1) Current Tax	1234.84	868.86
	2) Deferred Tax	135.54	361.04
XI	<b>Net Profit for the period</b>	<b>3204.89</b>	<b>1947.06</b>
	Paid-up equity share capital	2242.18	2242.18
	Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year	13032.96	9828.07
	<b>Earnings per equity share</b>	<b>14.29</b>	<b>8.68</b>

**OVERVIEW OF COMPANY'S FINANCIAL PERFORMANCE:**

For the financial year ended 31st March 2017, Company's turnover has registered a growth of 15.11% and the turnover achieved is ₹41737.58 Lakh against turnover of ₹36258.12 Lakh for F.Y 2015-16. The Profit before Tax (PBT) for the current year is ₹4575.27 Lakh as against ₹3176.96 Lakh in previous year. The Profit after Tax for the current year is ₹3204.89 Lakh as against ₹1947.06 Lakh in the previous year- a growth of 64.61%. The growth in profit is mainly driven from the increase in production and softening of Input Prices during the year.

## Directors' Report

### DIVIDEND:

Based on the Company's performance, the directors are pleased to recommend a dividend of ₹2.25/- per equity share for the financial year ended 31st March 2017, (Previous year- ₹1.50/- per share) amounting to ₹5,04,49,059.00 (exclusive of Dividend Distribution Tax). 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 Thursday, 14th September 2017; 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 does not propose to transfer any amount to the General Reserve out of the amount available for appropriations.

### EXPANSION:

During the year, the Company has not taken up any major expansion under review.

### CREDIT RATING:

During the year, Credit Rating of the Company has been upgraded from CARE BBB- to CARE BBB+. The Credit Rating of the Company reflects the Company's financial discipline and prudence.

### 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 2017.

### LISTING OF SHARES:

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

### DIRECTORS AND KEY MANAGERIAL PERSONNEL :

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

The Independent Directors of your company hold office up to 24th September 2019 and are not liable to retire by rotation.

All 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 2016-17.

Criteria for evaluation of individual Directors include aspects such as professional qualifications, prior experience, especially experience relevant to the Company, knowledge and competency, fulfilment 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.

### 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

## Directors' Report

public deposits was outstanding as on the date of Balance Sheet.

### SUBSIDIARIES:

The Company has no Subsidiary as on 31st March 2017.

### 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 2016-17.

### 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 endeavors 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>.

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

### RISK MANAGEMENT:

Risk management comprises all the organizational rules and actions for early identification of risks in the course of doing business and the management of such risks.

This robust Risk Management framework seeks to create transparency, minimize adverse impact on business objectives and enhance the Company's competitive advantage.

The Heads of various departments are responsible with respect to the process of identifying key risks associated with the business. There are no risks which in the opinion of the Board threaten the existence of your Company.

The Company has adopted a Risk Management Policy pursuant to Section 134 of the Act.

### INTERNAL FINANCIAL CONTROLS:

The Company has in place adequate internal financial controls with reference to financial statements. During the year, such controls were tested and no reportable material weakness in the design or operation was 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.

### AUDITOR'S AND AUDITOR'S REPORT:

At the 34th Annual General Meeting (AGM) of the Company held on 25th September 2014, M/S Subhash Sajal & Associates, Chartered Accountants (ICAI Reg. No. 018178N) have been appointed as the Statutory Auditors to hold the office till the conclusion of the 38th Annual General Meeting. In terms of the Provisions of the Companies Act, 2013, it is necessary to get the appointment ratified by the Shareholders at every Annual General Meeting until the expiry of the period of appointment.

### 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

## Directors' Report

for the financial year ended 31st March 2017 does not contain any qualification, reservation or adverse remark.

### COST-AUDITOR'S:

The Board of Directors of your Company, on the recommendations made by the Audit Committee at its meeting held on 22nd May 2017 has approved the re-appointment of M/s Sanjay Kumar Garg & Associates, Cost Accountants as Cost Auditors of the Company for the financial year 2017-18. The remuneration proposed to be paid to the Cost Auditor, subject to your ratification at the ensuing Annual General Meeting is ₹65,000.00 (Sixty Five Thousand Only) excluding taxes and out of pocket expenses, if any. The appointment of the Cost Auditor has been intimated to the Central Govt.

The Cost Audit Report for the Financial Year 2015-16 was filed by the Cost Auditors with the Ministry of Corporate Affairs, Govt. of India. Whereas Cost Audit Report for the Financial Year 2016-17 will be submitted by Cost-Auditors with Ministry of Corporate Affairs in due course.

### SECRETARIAL AUDITOR:

The Board has appointed M/s. R.K. Bhalla & Associates, Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2016-17. The Secretarial Audit Report for the financial year ended March 31, 2017 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 30.09.2016 (date of last Annual General Meeting) on website of the Company, as also with Ministry of Corporate Affairs.

### DISCLOSURES:

#### CSR Committee

The CSR Committee comprises Mr. Surinder 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 Gupta, Mr. Avtar Singh Bajwa and Mr. Jatinder Singh as other 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 Gupta and Mr. Avtar Singh Bajwa as other 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 and regulations and the code of conduct. The reportable matters may be disclosed to the Vigilance and Ethics Officer, who 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. 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>

### Meetings of the Board

Five 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 3rd March 2017, whereat 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 2017 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.

### 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

## Directors' Report

provisions of the Act and the Listing Regulations. Prior omnibus approval of the Audit Committee is also obtained for the transactions with M/S Jasmer Foods Private Limited. 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 Accounting Standard 18 are set out in Note- 27 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, 2017 was 997.

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 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:

- Details relating particulars of Loans given, Investment made, Guarantee given and Securities provided.
- Issue of equity shares with differential rights as to dividend, voting or otherwise.
- 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.
- Company does not have any ESOP scheme for its employees/ Directors.

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 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 shall state that-

- 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);
- 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;
- 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;
- that the directors had prepared Annual Accounts on a going concern basis;
- 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
- 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: 08.08.2017

Place: Kala-Amb

**Jatinder Singh**  
(Chairman & W.T.D)

## Annexure-I to Directors' Report

## Annual Report on Corporate Social Responsibility (CSR) activities for the Financial Year 2016-17

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

As a responsible business, Ruchira Papers Limited 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 its economic, social and environmental objectives while addressing stakeholder expectations and enhancing shareholder 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 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 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 2015-16, 2014-15, 2013-14, is ₹2587.61 Lakh.

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

The Company is required to spend ₹51.75 Lakh.

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

- a) Total amount spent for the financial year: ₹24.40 Lakh
- b) Amount unspent if any: ₹27.35 Lakh

## Annexure-I to Directors' Report

c) Manner in which the amount spent during the financial year is detailed below:

S. No	Projects/Activities	Sector in which the project is covered	Locations	Amount outlay (Budget) project or programme wise (₹)	Amount spent on the project or programme (₹)	Cumulative expenditure upto reporting period (₹)	Amount Spent: Direct or through implementing agency.
01.	Construction of Room at the Govt. School of Vill-Rampur Jattan, Kala-Amb, H.P.	Promotion of Education	Govt. School of Rampur Jattan, Kala Amb, Dist. Sirmaur-H.P	7,00,000	6,86,257	6,86,257	Through Implementing Agency
02	Promotion of Education	Promotion of Education	Distt-Sirmaur and Distt-Yamuna Nagar	4,50,000	4,27,878	4,27,878	Direct & Through Implementing Agency
03	Installation of Dustbins at Yamuna Nagar- Haryana	Environment sustainability and Sanitation	Distt-Yamuna Nagar Haryana	3,50,000	3,39,640	3,39,640	Through Implementing Agency
04	Medical Camp and other facilities for Promoting Health Care.	Promoting health Care	Distt-Yamuna Nagar	9,40,000	9,40,000	9,40,000	Direct & Through Implementing Agency
05	Installation of Air Conditioner at Old Age Home	Setting up old Age Homes and such other facilities for Senior Citizens	Distt-Yamuna Nagar	40,000	39,500	39,500	Through Implementing Agency
06.	Electricity Charges for Street Lights Installed at Road Constructed by Company Vill-Rampur Jattan, Kala Amb-H.P	Rural Development Projects	Rampur Jattan, Kal Amb, Dist- Sirmaur- H.P	NA	6,725	6,725	Through Implementing Agency
		<b>Total</b>			<b>24,40,000</b>	<b>24,40,000</b>	

## 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 2016-17. The Company's CSR initiatives usually involves setting the foundation of various programs at a small scale to learn from on ground realities, getting feedback from community and then putting an enhanced sustainable model to ensure maximum benefits to the Community. 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

## Secretarial Audit Report

For the financial year ended on 31st March, 2017

(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, 2017, 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, 2017 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 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, 1992;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (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 (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998.
- (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

## Annexure-II to Directors' Report

- (h) Payment of Bonus Act, 1965
- (i) Maternity Benefit Act, 1961
- (j) Industrial Employment (Standing Orders) Act, 1946
- (k) Industrial Disputes Act, 1947

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

We 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We 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.

I further report that during the audit period, the company has issued Postal Ballot Notice dated 3rd March, 2017 to Members of the Company for seeking consent of the Members of the Company to pass the proposed Special Resolution by means of Postal Ballot (which includes Postal Ballot Forms and electronic voting) to issue and allot up to 18,30,000 (Eighteen Lakh Thirty Thousand Only) Warrants on a preferential basis carrying an option/ entitlement to subscribe to equivalent number of equity shares of ₹10 each at future date, not exceeding 18 months from the date of issue of such Warrants at such price as may determined as per the provisions of Regulation 76 of SEBI (ICDR) Regulations, 2009 to the Promoters/Promoter's Group having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

For R.K.Bhalla & Associates  
Company Secretaries

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

Place: Yamuna Nagar  
Date: 22.05.2017

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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-II to Directors' 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

**Rajinder Kumar Bhalla**  
 (Proprietor)

ACS No: 10525  
 CP No: 7360

Place: Yamuna Nagar  
 Date: 22.05.2017

## 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.

## Annexure-III to Directors' Report

- 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 on conservation of energy were:

1. We have improved steam and condensate system and installed isolated condensate tanks to utilize the steam condensate to the power boiler which resulted saving in thermal energy.
2. The automatic start and stop controls and hour time totalizer are provided in various equipments and pumps to achieve optimization of running hours, improvement in efficiencies which resulted in saving of electrical energy.
3. In power boiler, we have provided a bucket elevator for the sand charging to furnace boiler bed. This has reduced the ingress of the extra Air to the furnace hence reduction in ID Fan Air load resulted saving in steam.
4. At stock preparation, the process has been modified. With this modification, we are able to save power for running pump, motor and agitators which was earlier required for functioning of one chest.
5. Heat Exchanger is provided on continuous digester black liquor for blow heat recovery. This heat is utilized for hot water for the process improvement.
6. Gland cooling water, mechanical seal lubrication water is being re-circulated. Besides this fresh water pump header's modified resulted in saving of water and electrical energy.

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 Dry Solids is 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 2016-17 is given in table below.

#### Power and Fuel Consumption:

Particulars	2016-17	2015-16
1. Electricity		
a) Purchased		
Units (KVAH)	27943332	26125968
Total Amount (₹)	166744650	155522009
Rate per Unit (₹)	5.97	5.95
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	55585523	50621030
Units per Ltr. Of fuel oil/ gas	Nil	Nil

## Annexure-IV to Directors' Report

Particulars	2016-17	2015-16
Cost / units	Nil	Nil
2. Coal (specify quality and where used)		
Quantity (ton)- Used in Boiler	47057.992	44998.927
Total Cost (₹ Lakhs)	3578.12	3171.93
Average Rate (PMT)	7603.63	7048.88
3. Used in Boiler		
Furnace Oil :-		
Quantity (K.ltrs)	245.500	253.615
Total amount(₹Lakhs)	64.08	64.20
Average Rate (₹/K.ltrs)	26103.45	25314.99
4. Others: Used in Boiler		
a) Rice Husk (M.T.)	41199.500	16171.034
Cost (₹Lakhs)	1322.25	655.16
b) Boiler Fuel-Misc(M.T)	22456.338	32539.100
Cost (in Lakhs)	394.46	646.19
c) Lime Stone (M.T)	653.000	510.500
Cost (In Lakhs)	5.55	3.94
Total Fuel Cost (in Lakhs)(2+3+4)	5364.46	4541.42

## Consumption Per Unit of Production

Particulars	2016-17	2015-16
a. Liner Kraft Paper		
Production (M.T.)	66426	52028
Electricity (in Units) per Ton of production	392	423
Furnace oil	Nil	Nil
Coal (specify)	Nil	Nil
Others (specify)	Nil	Nil
b. Writing & Printing Paper		
Production (M.T.)	50351	47074
Electricity (in Units) per Ton of production	1141	1163
Furnace oil	Nil	Nil
Coal (specify)	Nil	Nil
Others (specify)	Nil	Nil

## B) TECHNOLOGY ABSORPTION

Research and Development (R&D)	
1. Specific areas in which R&D carried out by the Company.	None
2. Benefits derived as a result of the above R&D.	None
3. Future plan of action.	None
4. Expenditure on R&D	
a) Capital	Nil
b) Recurring	Nil
c) Total	Nil
d) Total R&D expenditure as a percentage of total turnover.	Nil

## Annexure-IV to Directors' Report

<b>Technology absorption ,adaptation and innovation</b>	
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:

<b>Particulars</b>	<b>(₹in Lakhs)</b>	
	<b>2016-17</b>	<b>2015-16</b>
Foreign Exchange earned	395.88	24.39
Foreign Exchange Used	255.88	463.73

## Annexure-V to Directors' Report

## Form MGT-9

### Extract of Annual Return

As on the financial year ended on 31st March 2017

[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.	LINK INTIME INDIA PVT. LTD, 44, COMMUNITY CENTRE, 2ND FLOOR, NARAINA INDUSTRIAL AREA, PHASE-I, NEAR PVR NARAINA, NEW DELHI-110028

#### 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	100%

#### 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

## Annexure-V to Directors' Report

## 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 (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/HUF	13343461	0	13343461	59.51	13708278	0	13708278	61.14	1.63
b) Central Govt. or State Govt.	0	0	0	0.00	0	0	0	0.00	0
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0
d) Bank/FI	0	0	0	0.00	0	0	0	0.00	0
e) Any other	0	0	0	0.00	0	0	0	0.00	0
<b>SUB TOTAL:(A) (1)</b>	<b>13343461</b>	<b>0</b>	<b>13343461</b>	<b>59.51</b>	<b>13708278</b>	<b>0</b>	<b>13708278</b>	<b>61.14</b>	<b>1.63</b>
<b>(2) Foreign</b>									
a) NRI- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
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
<b>SUB TOTAL (A) (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter</b>									
<b>(A)= (A)(1)+(A)(2)</b>	<b>13343461</b>	<b>0</b>	<b>13343461</b>	<b>59.51</b>	<b>13708278</b>	<b>0</b>	<b>13708278</b>	<b>61.14</b>	<b>1.63</b>
<b>B. PUBLIC SHAREHOLDING</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Foreign Portfolio Investor	0	0	0	0.00	253703	0	253703	1.13	1.13
c) Banks/FI	266384	0	266384	1.19	23813	0	23813	0.11	(1.08)
d) Cenntal 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
<b>SUB TOTAL (B)(1):</b>	<b>266384</b>	<b>0</b>	<b>266384</b>	<b>1.19</b>	<b>277516</b>	<b>0</b>	<b>277516</b>	<b>1.24</b>	<b>0.05</b>
<b>(2) Non Institutions</b>									
<b>a) Bodies corporate</b>									
i) Indian	718915	0	718915	3.21	685961	0	685961	3.06	(0.15)
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00

## Annexure-V to Directors' Report

Category of Shareholders	No. of Shares held at the beginning of the year (01.04.2016)				No. of Shares held at the end of the year (31.03.2017)				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>b) Individuals</b>									
i) Individual shareholders holding nominal share capital upto ₹1 Lakh	4123895	3863	4127758	18.41	4319598	162	4319760	19.27	0.85
ii) Individuals shareholders holding nominal share capital in excess of ₹1 Lakh	3030894	0	3030894	13.52	2588897	0	2588897	11.55	(1.97)
<b>c) Others (specify)</b>									
Clearing Member	77363	0	77363	0.35	126932	0	126932	0.57	0.21
Directors/Relatives	14742	0	14742	0.05	18742	0	18742	0.08	0.03
Independent Directors	500	0	500	0.00	500	0	500	0.00	0.00
Non Resident Indians	286560	0	286560	1.28	417787	0	417787	1.86	0.58
Hindu Undivided Family	554497	0	554497	2.47	277381	0	277381	1.24	(1.23)
Trusts	730	0	730	0.00	50	0	50	0.00	(0.00)
<b>SUB TOTAL (B)(2):</b>	<b>8808096</b>	<b>3863</b>	<b>8811959</b>	<b>39.30</b>	<b>8435948</b>	<b>162</b>	<b>8436110</b>	<b>37.62</b>	<b>(1.68)</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>9074480</b>	<b>3863</b>	<b>9078343</b>	<b>40.49</b>	<b>8713464</b>	<b>162</b>	<b>8713526</b>	<b>38.86</b>	<b>(1.63)</b>
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>22417941</b>	<b>3863</b>	<b>22421804</b>	<b>100.00</b>	<b>22421642</b>	<b>162</b>	<b>22421804</b>	<b>100.00</b>	

## ii) Shareholding of Promoters &amp; Promoters group

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2016)			Shareholding at the end of the year (31.03.2017)			% 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	2306633	10.29	0	2359090	10.52	0	0.23
2	UMESH CHANDER GARG	1220316	5.44	0	1268855	5.66	0	0.22
3	CHARANJEET KAUR	1134534	5.06	0	1167934	5.21	0	0.15
4	SUBHASH CHANDER GARG	800384	3.57	0	848170	3.78	0	0.21
5	SHASHI GARG	815745	3.64	0	833409	3.72	0	0.08
6	PRAVEEN GARG	580246	2.59	0	614505	2.74	0	0.15
7	RADHIKA GARG	613365	2.73	0	646841	2.88	0	0.15
8	VAISHALI JHAVERI	604500	2.70	0	609520	2.72	0	0.02
9	DEEPAN GARG	642507	2.86	0	657959	2.93	0	0.07
10	RUCHICA G KUMAR	604504	2.70	0	604504	2.70	0	0.00

## Annexure-V to Directors' Report

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year (01.04.2016)			Shareholding at the end of the year (31.03.2017)			% 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	
11	SHALOO GUPTA	604501	2.70	0	604501	2.70	0	0.00
12	ATUL GARG	485197	2.16	0	495113	2.21	0	0.05
13	DALJEET SINGH MANDHAN	253138	1.13	0	259793	1.16	0	0.03
14	JAGDEEP SINGH	230013	1.02	0	236835	1.06	0	0.04
15	LUCKY GARG	403853	1.80	0	421901	1.88	0	0.08
16	SHELLY GARG	30000	0.13	0	30000	0.13	0	0.00
17	UMESH CHANDER GARG(HUF)	836050	3.73	0	848569	3.78	0	0.05
18	SUBHASH CHANDER GARG(HUF)	638625	2.85	0	638625	2.85	0	0.00
19	JATINDER SINGH(HUF)	522850	2.33	0	545654	2.43	0	0.10
20	ANKITA GARG	16500	0.07	0	16500	0.07	0	0.00
	<b>Total</b>	<b>13343461</b>	<b>59.51</b>	<b>0</b>	<b>13708278</b>	<b>61.14</b>	<b>0</b>	<b>1.63</b>

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

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year – 01.04.2016		Transactions during the year			Cumulative Shareholding at the end of the year – 31.03.2017	
		No. of shares held	% of total shares of the company	Date of transaction	Reason	No. of shares	No of shares held	% of total shares of the company
1	JATINDER SINGH	2306633	10.2875				2306633	10.2875
				04 Nov 2016	Buy	16800	2323433	10.3624
				02 Dec 2016	Buy	31378	2354811	10.5023
				09 Dec 2016	Buy	4279	2359090	10.5214
				AT THE END OF THE YEAR			2359090	10.5214
2	UMESH CHANDER GARG	1220316	5.4425				1220316	5.4425
				27 May 2016	Buy	18776	1239092	5.5263
				03 Jun 2016	Buy	11360	1250452	5.5769
				10 Jun 2016	Buy	7375	1257827	5.6098
				17 Jun 2016	Buy	8256	1266083	5.6467
				02 Dec 2016	Buy	156	1266239	5.6474
				09 Dec 2016	Buy	2616	1268855	5.6590
				AT THE END OF THE YEAR			1268855	5.6590
3	CHARANJEET KAUR	1134534	5.0600				1134534	5.0600
				17 Jun 2016	Buy	14557	1149091	5.1249
				24 Jun 2016	Buy	3400	1152491	5.1400
				26 Aug 2016	Buy	4700	1157191	5.1610
				02 Sep 2016	Buy	2950	1160141	5.1742

## Annexure-V to Directors' Report

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year – 01.04.2016		Transactions during the year			Cumulative Shareholding at the end of the year – 31.03.2017	
		No. of shares held	% of total shares of the company	Date of transaction	Reason	No. of shares	No of shares held	% of total shares of the company
				16 Sep 2016	Buy	7650	1167791	5.2083
				18 Nov 2016	Buy	143	1167934	5.2089
				AT THE END OF THE YEAR			1167934	5.2089
4	UMESH CHANDER GARG HUF	836050	3.7287				836050	3.7287
				11 Nov 2016	Buy	11706	847756	3.7809
				02 Dec 2016	Buy	813	848569	3.7846
				AT THE END OF THE YEAR			848569	3.7846
5	SHASHI GARG	815745	3.6382				815745	3.6382
				18 Nov 2016	Buy	2100	817845	3.6475
				02 Dec 2016	Buy	15564	833409	3.7170
				AT THE END OF THE YEAR			833409	3.7170
6	DEEPAN GARG	642507	2.8655				642507	2.8655
				19 Aug 2016	Buy	5300	647807	2.8892
				02 Dec 2016	Buy	10152	657959	2.9345
				AT THE END OF THE YEAR			657959	2.9345
7	RADHIKA GARG	613365	2.7356				613365	2.7356
				16 Sep 2016	Buy	13450	626815	2.7956
				25 Nov 2016	Buy	10000	636815	2.8402
				02 Dec 2016	Buy	9880	646695	2.8842
				09 Dec 2016	Buy	146	646841	2.8849
				AT THE END OF THE YEAR			646841	2.8849
8	SUBHASH CHANDER GARG HUF	638625	2.8482				638625	2.8482
				AT THE END OF THE YEAR			638625	2.8482
9	PARVEEN GARG	580246	2.5879				580246	2.5879
				25 Nov 2016	Buy	34229	614475	2.7405
				02 Dec 2016	Buy	30	614505	2.7407
				AT THE END OF THE YEAR			614505	2.7407
10	VAISHALI VIRAL JHAVERI	604500	2.6960				604500	2.6960
				23 Dec 2016	Buy	5000	609500	2.7183
				30 Dec 2016	Buy	20	609520	2.7184
				AT THE END OF THE YEAR			609520	2.7184
11	RUCHICA G KUMAR	604504	2.6961				604504	2.6961
				AT THE END OF THE YEAR			604504	2.6961
12	SHALOO GUPTA	604501	2.6960				604501	2.6960
				AT THE END OF THE YEAR			604501	2.6960
13	JATINDER SINGH HUF	522850	2.3319				522850	2.3319
				10 Jun 2016	Buy	3414	526264	2.3471
				17 Jun 2016	Buy	11645	537909	2.3990
				02 Dec 2016	Buy	85	537994	2.3994

## Annexure-V to Directors' Report

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year – 01.04.2016		Transactions during the year			Cumulative Shareholding at the end of the year – 31.03.2017	
		No. of shares held	% of total shares of the company	Date of transaction	Reason	No. of shares	No of shares held	% of total shares of the company
14	SUBHASH CHANDER GARG			10 Feb 2017	Buy	7660	545654	2.4336
				AT THE END OF THE YEAR			545654	2.4336
		800384	3.5696				800384	3.5696
				24 Jun 2016	Buy	11600	811984	3.6214
				30 Jun 2016	Buy	14817	826801	3.6874
				08 Jul 2016	Buy	2172	828973	3.6972
				15 Jul 2016	Buy	10150	839123	3.7424
				29 Jul 2016	Buy	3750	842873	3.7592
				02 Dec 2016	Buy	5090	847963	3.7818
				09 Dec 2016	Buy	207	848170	3.7828
15	ATUL GARG			AT THE END OF THE YEAR			848170	3.7828
		485197	2.1640				485197	2.1640
				26 Aug 2016	Buy	6069	491266	2.1910
				02 Dec 2016	Buy	3800	495066	2.2080
				23 Dec 2016	Buy	47	495113	2.2082
16	LUCKY GARG			AT THE END OF THE YEAR			495113	2.2082
		403853	1.8012				403853	1.8012
				26 Aug 2016	Buy	4278	408131	1.8202
				16 Sep 2016	Buy	2383	410514	1.8309
				11 Nov 2016	Buy	3727	414241	1.8475
				17 Feb 2017	Buy	7660	421901	1.8817
17	DALJEET SINGH MANDHAN			AT THE END OF THE YEAR			421901	1.8817
		253138	1.1290				253138	1.1290
				12 Aug 2016	Buy	6621	259759	1.1585
				02 Dec 2016	Buy	34	259793	1.1587
18	JAGDEEP SINGH			AT THE END OF THE YEAR			259793	1.1587
		230013	1.0258				230013	1.0258
				08 Jul 2016	Buy	3210	233223	1.0402
				05 Aug 2016	Buy	3600	236823	1.0562
				02 Dec 2016	Buy	12	236835	1.0563
19	SHELLY GARG			AT THE END OF THE YEAR			236835	1.0563
		30000	0.1338				30000	0.1338
20	ANKITA GARG			AT THE END OF THE YEAR			30000	0.1338
		16500	0.0736				16500	0.0736
				AT THE END OF THE YEAR			16500	0.0736

## Annexure-V to Directors' Report

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

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year – 01.04.2016		Transactions during the year			Cumulative Shareholding at the end of the year – 31.03.2017	
		No. of shares held	% of total shares of the company	Date of transaction	Reason	No. of shares	No of shares held	% of total shares of the company
1	DOLLY KHANNA	9700	0.0433				9700	0.0433
				08 Apr 2016	Buy	22650	32350	0.1443
				22 Apr 2016	Buy	25400	57750	0.2576
				29 Apr 2016	Buy	5400	63150	0.2816
				27 May 2016	Buy	29180	92330	0.4118
				03 Jun 2016	Buy	8900	101230	0.4515
				10 Jun 2016	Buy	11797	113027	0.5041
				08 Jul 2016	Buy	8000	121027	0.5398
				22 Jul 2016	Buy	5200	126227	0.5630
				29 Jul 2016	Buy	95246	221473	0.9878
				05 Aug 2016	Buy	15545	237018	1.0571
				26 Aug 2016	Buy	14283	251301	1.1208
				02 Sep 2016	Buy	5700	257001	1.1462
				07 Oct 2016	Buy	14773	271774	1.2121
				14 Oct 2016	Buy	31413	303187	1.3522
				28 Oct 2016	Buy	6800	309987	1.3825
				04 Nov 2016	Buy	23532	333519	1.4875
				27 Jan 2017	Buy	1500	335019	1.4942
				03 Feb 2017	Buy	16300	351319	1.5669
				03 Mar 2017	Buy	2930	354249	1.5799
				17 Mar 2017	Buy	11948	366197	1.6332
				24 Mar 2017	Buy	5498	371695	1.6577
				31 Mar 2017	Buy	22954	394649	1.7601
				AT THE END OF THE YEAR			394649	1.7601
2	R PATTABIRAMAN	0	0.0000				0	0.0000
				14 Oct 2016	Buy	27580	27580	0.1230
				21 Oct 2016	Buy	55671	83251	0.3713
				28 Oct 2016	Buy	51800	135051	0.6023
				03 Mar 2017	Buy	23042	158093	0.7051
				17 Mar 2017	Buy	10000	168093	0.7497
				24 Mar 2017	Buy	10243	178336	0.7954
				31 Mar 2017	Buy	8304	186640	0.8324
				AT THE END OF THE YEAR			186640	0.8324
3	INDIA MAX INVESTMENT FUND LIMITED	0	0.0000				0	0.0000
				27 Jan 2017	Buy	38070	38070	0.1698
				03 Feb 2017	Buy	137646	175716	0.7837
				31 Mar 2017	Transfer	(5000)	170716	0.7614
				AT THE END OF THE YEAR			170716	0.7614

## Annexure-V to Directors' Report

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year – 01.04.2016		Transactions during the year			Cumulative Shareholding at the end of the year – 31.03.2017	
		No. of shares held	% of total shares of the company	Date of transaction	Reason	No. of shares	No of shares held	% of total shares of the company
4	RAVINDER SINGH	134167	0.5984				134167	0.5984
				AT THE END OF THE YEAR			134167	0.5984
5	DEVIKA ANAND	77599	0.3461				77599	0.3461
				17 Jun 2016	Buy	20000	97599	0.4353
				AT THE END OF THE YEAR			97599	0.4353
6	DHARMENDAR KUMAR	90200	0.4023				90200	0.4023
				AT THE END OF THE YEAR			90200	0.4023
7	K NARESH KUMAR	0	0.0000				0	0.0000
				12 Aug 2016	Buy	25000	25000	0.1115
				26 Aug 2016	Buy	10000	35000	0.1561
				23 Sep 2016	Buy	10000	45000	0.2007
				07 Oct 2016	Buy	12500	57500	0.2564
				03 Mar 2017	Buy	29500	87000	0.3880
				AT THE END OF THE YEAR			87000	0.3880
8	BIPUL BARMAN	0	0.0000				0	0.0000
				16 Dec 2016	Buy	16916	16916	0.0754
				23 Dec 2016	Buy	55104	72020	0.3212
				27 Jan 2017	Transfer	(4892)	67128	0.2994
				24 Mar 2017	Buy	18969	86097	0.3840
				AT THE END OF THE YEAR			86097	0.3840
9	MALLIKA RAVI	0	0.0000				0	0.0000
				10 Jun 2016	Buy	82000	82000	0.3657
				AT THE END OF THE YEAR			82000	0.3657
10	ALPESH ANANTRAI DOSHI	70000	0.3122				70000	0.3122
				AT THE END OF THE YEAR			70000	0.3122
11	INDRA KATARIYA	220000	0.9812				220000	0.9812
				08 Apr 2016	Transfer	(14281)	205719	0.9175
				15 Apr 2016	Transfer	(10000)	195719	0.8729
				22 Apr 2016	Transfer	(45600)	150119	0.6695
				08 Jul 2016	Transfer	(12198)	137921	0.6151
				15 Jul 2016	Transfer	(14898)	123023	0.5487
				22 Jul 2016	Transfer	(8016)	115007	0.5129
				29 Jul 2016	Transfer	(10000)	105007	0.4683
				28 Oct 2016	Transfer	(30000)	75007	0.3345
				18 Nov 2016	Transfer	(43354)	31653	0.1412
				25 Nov 2016	Transfer	(7977)	23676	0.1056
				02 Dec 2016	Transfer	(23597)	79	0.0004
				AT THE END OF THE YEAR			79	0.0004

## Annexure-V to Directors' Report

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year – 01.04.2016		Transactions during the year			Cumulative Shareholding at the end of the year – 31.03.2017	
		No. of shares held	% of total shares of the company	Date of transaction	Reason	No. of shares	No of shares held	% of total shares of the company
12	GIRISH GULATI (HUF)	139060	0.6202				139060	0.6202
				20 May 2016	Transfer	(620)	138440	0.6174
				15 Jul 2016	Transfer	(2000)	136440	0.6085
				14 Oct 2016	Transfer	(20000)	116440	0.5193
				21 Oct 2016	Transfer	(10010)	106430	0.4747
				11 Nov 2016	Transfer	(15000)	91430	0.4078
				18 Nov 2016	Transfer	(91400)	30	0.0001
				AT THE END OF THE YEAR			30	0.0001
13	CENTRAL BANK OF INDIA	259072	1.1554				259072	1.1554
				06 May 2016	Transfer	(10000)	249072	1.1108
				13 May 2016	Transfer	(10000)	239072	1.0662
				03 Jun 2016	Transfer	(11000)	228072	1.0172
				29 Jul 2016	Transfer	(28072)	200000	0.8920
				05 Aug 2016	Transfer	(5000)	195000	0.8697
				26 Aug 2016	Transfer	(15000)	180000	0.8028
				14 Oct 2016	Transfer	(8000)	172000	0.7671
				04 Nov 2016	Transfer	(15000)	157000	0.7002
				18 Nov 2016	Transfer	(10000)	147000	0.6556
				03 Mar 2017	Transfer	(11000)	136000	0.6066
				24 Mar 2017	Transfer	(81000)	55000	0.2453
				31 Mar 2017	Transfer	(55000)	0	0.0000
				AT THE END OF THE YEAR			0	0.0000
14	BHARAT JAMNADAS DATTANI	207406	0.9250				207406	0.9250
				10 Jun 2016	Transfer	(2581)	204825	0.9135
				17 Jun 2016	Transfer	(9500)	195325	0.8711
				15 Jul 2016	Transfer	(2329)	192996	0.8608
				22 Jul 2016	Transfer	(10000)	182996	0.8162
				29 Jul 2016	Transfer	(5000)	177996	0.7939
				12 Aug 2016	Transfer	(5000)	172996	0.7716
				19 Aug 2016	Transfer	(4352)	168644	0.7521
				26 Aug 2016	Transfer	(38000)	130644	0.5827
				30 Sep 2016	Transfer	(7730)	122914	0.5482
				07 Oct 2016	Transfer	(16000)	106914	0.4768
				14 Oct 2016	Transfer	(20000)	86914	0.3876
				21 Oct 2016	Transfer	(7435)	79479	0.3545
				28 Oct 2016	Transfer	(5000)	74479	0.3322
				04 Nov 2016	Transfer	(25212)	49267	0.2197
				11 Nov 2016	Transfer	(11885)	37382	0.1667

## Annexure-V to Directors' Report

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year – 01.04.2016		Transactions during the year			Cumulative Shareholding at the end of the year – 31.03.2017	
		No. of shares held	% of total shares of the company	Date of transaction	Reason	No. of shares	No of shares held	% of total shares of the company
				02 Dec 2016	Transfer	(9007)	28375	0.1266
				06 Jan 2017	Transfer	(3000)	25375	0.1132
				13 Jan 2017	Transfer	(6926)	18449	0.0823
				20 Jan 2017	Transfer	(6245)	12204	0.0544
				27 Jan 2017	Transfer	(12154)	50	0.0002
				10 Feb 2017	Transfer	(50)	0	0.0000
				AT THE END OF THE YEAR			0	0.0000
15	BHARATI BHARAT DATTANI	197046	0.8788				197046	0.8788
				08 Jul 2016	Transfer	(899)	196147	0.8748
				22 Jul 2016	Transfer	(3447)	192700	0.8594
				12 Aug 2016	Transfer	(3200)	189500	0.8452
				19 Aug 2016	Transfer	(21165)	168335	0.7508
				26 Aug 2016	Transfer	(5034)	163301	0.7283
				30 Sep 2016	Transfer	(495)	162806	0.7261
				07 Oct 2016	Transfer	(21427)	141379	0.6305
				14 Oct 2016	Transfer	(15000)	126379	0.5636
				21 Oct 2016	Transfer	(3233)	123146	0.5492
				28 Oct 2016	Transfer	(15000)	108146	0.4823
				04 Nov 2016	Transfer	(23004)	85142	0.3797
				11 Nov 2016	Transfer	(4145)	80997	0.3612
				25 Nov 2016	Transfer	(5385)	75612	0.3372
				02 Dec 2016	Transfer	(9406)	66206	0.2953
				06 Jan 2017	Transfer	(8000)	58206	0.2596
				13 Jan 2017	Transfer	(5000)	53206	0.2373
				20 Jan 2017	Transfer	(2000)	51206	0.2284
				27 Jan 2017	Transfer	(20000)	31206	0.1392
				03 Feb 2017	Transfer	(14374)	16832	0.0751
				10 Feb 2017	Transfer	(16832)	0	0.0000
				AT THE END OF THE YEAR			0	0.0000
16	SNEHAL BHUPENDRA SHAH	185000	0.8251				185000	0.8251
				03 Feb 2017	Transfer	(185000)	0	0.0000
				AT THE END OF THE YEAR			0	0.0000
17	BHARAT JAMNADAS	82314	0.3671				82314	0.3671
				08 Jul 2016	Transfer	(420)	81894	0.3652
				22 Jul 2016	Transfer	(3000)	78894	0.3519
				29 Jul 2016	Transfer	(2000)	76894	0.3429
				19 Aug 2016	Transfer	(12000)	64894	0.2894
				07 Oct 2016	Transfer	(5000)	59894	0.2671
				14 Oct 2016	Transfer	(20000)	39894	0.1779

## Annexure-V to Directors' Report

Sl. No.	Name of Shareholder	Shareholding at the beginning of the year – 01.04.2016		Transactions during the year			Cumulative Shareholding at the end of the year – 31.03.2017	
		No. of shares held	% of total shares of the company	Date of transaction	Reason	No. of shares	No of shares held	% of total shares of the company
				21 Oct 2016	Transfer	(3000)	36894	0.1645
				28 Oct 2016	Transfer	(7000)	29894	0.1333
				04 Nov 2016	Transfer	(10000)	19894	0.0887
				11 Nov 2016	Transfer	(13096)	6798	0.0303
				25 Nov 2016	Transfer	(1798)	5000	0.0223
				02 Dec 2016	Transfer	(5000)	0	0.0000
				AT THE END OF THE YEAR			0	0.0000
18	RAVI MAHALINGAM	82000	0.3657				82000	0.3657
				10 Jun 2016	Transfer	(82000)	0	0.0000
				AT THE END OF THE YEAR			0	0.0000

## 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, Co- Chairman & Whole Time Director				
	At the beginning of the year- 01.04.2016	2306633	10.29	2306633	10.29
	Bought during the year. (Date wise detail mentioned at point no. iii above)	52457	0.23	2359090	10.52
	At the end of the year-31.03.2017			2359090	10.52
2	Subhash Chander Garg, Chairman & Whole Time Director				
	At the beginning of the year- 01.04.2016	800384	3.57	800384	3.57
	Bought during the year. (Date wise detail mentioned at point no. iii above)	47786	0.21	848170	3.78
	At the end of the year-31.03.2017			848170	3.78
3	Umesh Chander Garg, Managing Director				
	At the beginning of the year- 01.04.2016	1220316	5.44	1220316	5.44
	Bought during the year. (Date wise detail mentioned at point no. iii above)	48539	0.22	1268855	5.66
	At the end of the year-31.03.2017			1268855	5.66
4	Vipin Gupta- CFO & Whole Time Director				
	At the beginning of the year- 01.04.2016	13142	0.06	13142	0.06
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	5600	0.02	18742	0.08
	At the end of the year-31.03.2017			18742	0.08

## Annexure-V to Directors' Report

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- 01.04.2016	100	0.00	100	0.00
	Date wise increase/decrease in Promoters Share holding 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-31.03.2017			100	0.00
6	Surinder Gupta, Independent Director				
	At the beginning of the year- 01.04.2016	100	0.00	100	0.00
	Date wise increase/decrease in Promoters Share holding 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-31.03.2017			100	0.00
7	S.K.Dewan, Independent Director				
	At the beginning of the year- 01.04.2016	100	0.00	100	0.00
	Date wise increase/decrease in Promoters Share holding 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-31.03.2017			100	0.00
8	Avtar Singh, Independent Director				
	At the beginning of the year- 01.04.2016	100	0.00	100	0.00
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	0	0.00	0	0.00
	At the end of the year-31.03.2017			100	0.00
9	Mrs.Suhasini Yadav, Independent Director				
	At the beginning of the year- 01.04.2016	100	0.00	100	0.00
	Date wise increase/decrease in Promoters Share holding 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-31.03.2017			100	0.00
10	Vishav Sethi, Company Secretary				
	At the beginning of the year- 01.04.2016	0	0.00	0	0.00
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	0	0.00	0	0.00
	At the end of the year-31.03.2017			0	0.00

## Annexure-V to Directors' Report

**V. INDEBTNESS:**

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	678732338	51530000	0	730262338
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>678732338</b>	<b>51530000</b>	<b>0</b>	<b>730262338</b>
Change in Indebtedness during the financial year				
Additions	161592877	0	0	161592877
Reduction	(180762466)	(8500000)	0	(189262466)
<b>Net Change</b>	<b>(19169589)</b>	<b>(8500000)</b>	<b>0</b>	<b>(27669589)</b>
Indebtedness at the end of the financial year				
i) Principal Amount	659562749	43030000	0	702592749
ii) Interest due but not paid	0	0	0	0
iii) Interest accrued but not due	0	0	0	0
<b>Total (i+ii+iii)</b>	<b>659562749</b>	<b>43030000</b>	<b>0</b>	<b>702592749</b>

**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.	91.00	91.00	91.00	30.40	303.40
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	18.20	18.20	18.20	4.56	59.16
	(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	0.00	0.00	0.00	0.00	0.00
	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
	<b>Total (A)</b>	<b>109.2</b>	<b>109.2</b>	<b>109.2</b>	<b>34.96</b>	<b>362.56</b>
	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				

## Annexure-V to Directors' Report

## B. Remuneration to other directors:

(₹ In Lakhs)

Sl. No.	Particulars of Remuneration	Name of the Directors					Total Amount
		Dalbir Singh	Surinder Gupta	S. K. Dewan	Avtar Singh	Mrs. Suhasini Yadav	
1	Independent Directors						
	(a) Fee for attending board committee meetings	0.75	0.75	0.75	0.75	0.75	3.75
	(b) Commission	0	0	0	0	0	0
	(c) Others, please specify	0	0	0	0	0	0
	<b>Total (1)</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>3.75</b>
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
	<b>Total (2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total (B)=(1+2)</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>0.75</b>	<b>3.75</b>
	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/WT D

(₹ In Lakhs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total Amount
		CFO & W.T.D	Company Secretary	
		Vipin Gupta	VishavSethi	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	30.40	8.04	38.44
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	4.56	1.21	5.77
	(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	0	0	0.00
	as % of profit	0	0	0.00
	others (specify)	0	0	0.00
5	Others, please specify	0	0	0.00
	<b>Total (A)</b>	<b>34.96</b>	<b>9.25</b>	<b>44.21</b>

## Annexure-V to Directors' Report

## VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

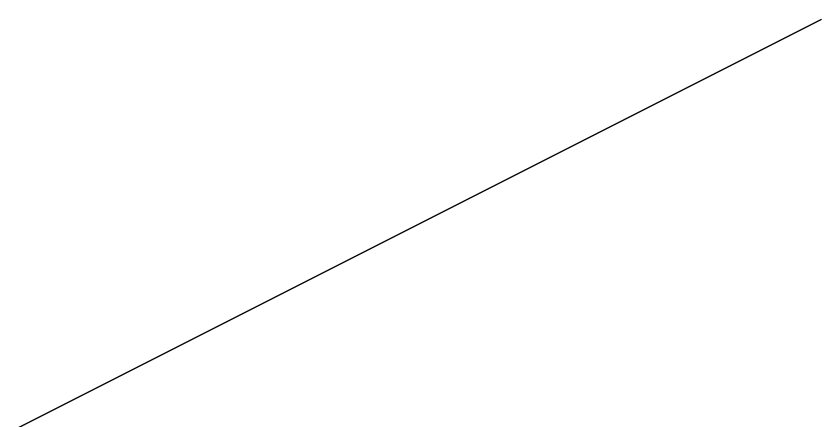
Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/Court)	Appeal made if any (give details)
A. COMPANY					
Penalty					
Punishment					
Compounding					
B. DIRECTORS					
Penalty			NIL		
Punishment					
Compounding					
C.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

## 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.						
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 and nature of ownership	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	
	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	
	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	
	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.	
	salient terms of the Contracts or arrangements or transactions including the value if any	Sale of Finished Goods up to ₹50.00 Crore per Annum. Purchase of Raw Material up to ₹5.00 Crore Per Annum	Sale of Finished Goods up to ₹10.00 Crore per Annum. Purchase of Raw Material up to ₹5.00 Crore Per Annum	Sale of Finished Goods up to ₹5.00 Crore per Annum. Purchase of Raw Material up to ₹1.00 Crore Per Annum	Sale of Finished Goods up to ₹15.00 Crore per Annum. Purchase of Raw Material up to ₹2.00 Crore Per Annum	Sale of Finished Goods up to ₹15.00 Crore per Annum. Purchase of Raw Material up to ₹2.00 Crore Per Annum	
	Date(s) of approval by the Board	04.08.2014	04.08.2014	04.08.2014	04.08.2014	04.08.2014	
	amount paid as advances, if any	N.A	N.A	N.A	N.A	N.A	
	Date of Shareholders Resolution Passed if any.	25.09.2014	25.09.2014	25.09.2014	25.09.2014	25.09.2014	

## Annexure-VI to Directors' Report

<b>3</b>	<b>Details of material contracts or arrangement or transactions at arm's length basis</b>					
	Name (s) of the related party and nature of ownership	Jasmer Foods Private Limited	Mrs. Parveen Garg	Mr. Deepan Garg	Mr. Daljeet Singh	Mr. Jagdeep Singh
	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
	Nature of Contracts/ arrangements/ transaction	Purchase of Raw material/Fuel	Sr. Vice President-CSR	Vice President-Technical	Vice President-Commercial	Vice President-Operations
	Duration of the Contracts/ arrangements/ transactions	For the F.Y 2016-17	Remuneration Paid	Remuneration Paid	Remuneration Paid	Remuneration Paid
	salient terms of the Contracts or arrangements or transactions including the value if any	Prurchase of Raw Material/Fuel up to ₹30 Lakh during F.Y 2016-17.	Relative holding office or place of profit at a gross monthly remuneration of 3,73,750.00	Relative holding office or place of profit at a gross monthly remuneration of 3,73,750.00	Relative holding office or place of profit at a gross monthly remuneration of 3,73,750.00	Relative holding office or place of profit at a gross monthly remuneration of 3,73,750.00
	Date(s) of approval by the Board	24.10.2016	18.05.2016	18.05.2016	18.05.2016	18.05.2016
	amount paid as advances, if any	N.A	N.A	N.A	N.A	N.A
	Date of Shareholders Resolution Passed if any.	N.A	30.09.2016	30.09.2016	30.09.2016	30.09.2016
<b>4</b>	<b>Details of material contracts or arrangement or transactions at arm's length basis</b>					
	Name (s) of the related party and nature of ownership	Mr. Atul Garg	Mrs. Ruchika G Kumar	Ms. Radhika Garg	Mr. Lucky Garg	Mrs. Vaishali Viral Jhaveri
	Nature of Relationship	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	Vice President-Administration	Vice President-Marketing*	Vice President-Marketing-NR	Vice President-Marketing	Vice President-Marketing**
	Duration of the Contracts/arrangements/ transactions	Remuneration Paid	Remuneration Paid	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 3,73,750.00	Relative holding office or place of profit at a gross monthly remuneration of 3,73,750.00	Relative holding office or place of profit at a gross monthly remuneration of 3,73,750.00	Relative holding office or place of profit at a gross monthly remuneration of 3,73,750.00	Relative holding office or place of profit at a gross monthly remuneration of 3,16,250.00
	Date(s) of approval by the Board	18.05.2016	18.05.2016	18.05.2016	18.05.2016	12.08.2015
	amount paid as advances, if any	N.A	N.A	N.A	N.A	N.A
	Date of Shareholders Resolution Passed if any.	30.09.2016	30.09.2016	30.09.2016	30.09.2016	25.09.2015

\* appointed w.e. f 01.07.2016

\*\*resigned w.e.f 30.06.2016.

## Annexure-VII to Directors' Report

### Information required under Section 197 of the Companies Act, 2013 read with 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	74.29	
		02.	Jatinder Singh	74.29	
		03.	Umesh Chander Garg	74.29	
		04.	Vipin Gupta	23.79	
		05.	Dalbir Singh	0.51	
		06.	Surinder Gupta	0.51	
		07.	Swantantar Kumar Dewan	0.51	
		08.	Avtar Singh	0.51	
		09.	Smt. Suhasini Yadav	0.51	
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	15.19
		02.	Jatinder Singh	Whole Time Director	15.19
		03.	Umesh Chander Garg	Managing Director	15.19
		04.	Vipin Gupta	CFO & Executive Director	18.75
		05.	Dalbir Singh	Independent Director	---
		06.	Surinder Gupta	Independent Director	---
		07.	Swantantar Kumar Dewan	Independent Director	---
		08.	Avtar Singh	Independent Director	---
		09.	Smt. Suhasini Yadav	Independent Director	---
		10.	Vishav Sethi	Company Secretary	17.54
iii	Percentage increase in the median remuneration of employees in the financial year.	9.80 %			
iv	Number of permanent employees on the rolls of the Company as on 31st March 2017.	997 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	<p>Average increase in remuneration of Managerial Personnel- 15.34%</p> <p>Average Increase in remuneration of employees other than the Managerial Personnel: 13.51%</p> <p>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.</p>			
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.			

## Notes:

1. The Remuneration of Independent Directors is sitting fees paid to them for the financial year 2016-17.
2. Median remuneration of the company for all its employees is ₹146976.00 for the F.Y 2016-17.
3. The median remuneration of those employees has been taken who has worked for the whole F.Y 2016-17.

## Annexure-VII to Directors' Report

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

## 1. List of Top Ten Employees of the Company in terms of remuneration drawn during the F.Y 2016-17 other than Directors.

S. No	Name	Designation	Education & Experience	Age. (Yrs)	Experience	%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	Graduation,	70	24	2.74	43,12,500	Nil	Related to Mr. Subhash Chander Garg
2	Deepan Garg	VP-Technical	B.Tech	42	18	2.93	43,12,500	Nil	Related to Mr. Umesh Chander Garg
3	Lucky Garg	VP-Marketing	Master of Business Administration	38	14	1.88	43,12,500	Nil	Related to Mr. Umesh Chander Garg
4	Atul Garg	VP-Administration	Master of Business Administration	41	17	2.21	43,12,500	Nil	Related to Mr. Umesh Chander Garg
5	Jagdeep Singh	VP-Operations	B.Tech	32	9	1.06	43,12,500	Nil	Related to Mr. Jatinder Singh
6	Daljeet Singh Mandhan	VP-Commercial	Post Graduation	30	8	1.16	43,12,500	Nil	Related to Mr. Jatinder Singh
7	Mrs. Radhika Garg	VP-Marketing (NR)	Beachelor in Law, Post Graduation	36	11	2.88	43,12,500	Nil	Related to Mr. Subhash Chander Garg
8	Mrs. Ruchica G Kumar	VP-Marketing	Post Graduation	46	17	2.70	33,63,750	G. M Global electronics (P) Limited	Related to Mr. Subhash Chander Garg
9	Sethu Raman Balu	Sr. General Manager	NCTVT	57	37	0.00	29,87,700	Head-Operations Dhanlaxmi Paper Mills Private Limited	Nil
10	Jai Karan Sharma	DGM-Mechanical	Diploma in Mechanical Engineering	59	39	0.00	24,36,396	Manager-Mechanical, BILT.	Nil

- List of Employees of the Company (other than directors) employed throughout the F.Y 2016-17 and were paid remuneration not less than ₹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 2016-17 at a rate which in aggregate was not less than ₹8.50 Lakh 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, 2017 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.

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 2017 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 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 2016-17.

Criteria for evaluation of individual Directors include aspects such as professional qualifications, prior experience, especially experience relevant to the Company, knowledge and competency, fulfilment 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 familiarisation programmes for Independent Directors are posted on the website of the Company and can be accessed at <http://www.ruchirapapers.com/investors.html>.

## Report on Corporate Governance

### Meetings of Independent Directors:

One meeting of Independent Directors was held during the year on 3rd March 2017. All the Independent Directors were present at the meeting.

### 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 in advance to all Directors and confirmed at subsequent

Meeting. The Board reviews the performance of the Company vis-à-vis budgets/targets.

Five 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 2016	09(Nine)	08(Eight)
05th August 2016	09(Nine)	09(Nine)
24th October 2016	09(Nine)	09(Nine)
30th January 2017	09(Nine)	09(Nine)
03rd March 2017	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 (As at 31.03.2017)	Attendance in Board meeting during the F.Y 2016-17		Attendance at Last AGM	No. of other Directorship*	Membership of other Committee**	Relationship Inter-se Directors
		Held	Attended				
Subhash Chander Garg DIN 01593104	Chairman & Whole Time Director Executive & Promoter	5	4	Yes	Nil	Nil	Related to Umesh Chander Garg
Jatinder Singh DIN 01594919	Co-Chairman & Whole Time Director Executive & Promoter	5	5	No	Nil	Nil	–
Umesh Chander Garg DIN 01593400	Managing Director Executive & Promoter	5	5	Yes	Nil	Nil	Related to Subhash Chander Garg.
Vipin Gupta DIN 05107366	CFO & Whole Time Director Executive & Professional	5	5	Yes	Nil	Nil	–
Dalbir Singh DIN 01538540	Non-Executive Independent	5	5	Yes	Nil	Nil	–
Surinder Gupta DIN 01108489	Non-Executive Independent	5	5	Yes	Nil	Nil	–
Col(Retd) Avtar Singh Bajwa DIN 01605978	Non-Executive Independent	5	5	Yes	Nil	Nil	–
S. K. Dewan DIN 00427404	Non-Executive Independent	5	5	Yes	2	Nil	–
Mrs. Suhasini Yadav DIN 06925910	Non-Executive Independent	5	5	Yes	Nil	Nil	–

\*Exclude directorship in Ruchira Papers Limited. Also excludes directorship in Private Companies, Foreign 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. Also exclude the membership & chairmanships in Ruchira Papers Limited.

## Report on Corporate Governance

## 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 has 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, 2017 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 Gupta	Member	Independent, Non-Executive	4	4
3	Col(Retd) Avtar Singh Bajwa	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.

The Audit Committee met four times during the year on 18.05.2016,

05.08.2016, 24.10.2016 and 30.01.2017. The Chairman of the Audit Committee was present at the last AGM held on 30th September 2016.

## B. NOMINATION &amp; 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	01	01
2	Surinder Gupta	Member	Independent, Non-Executive	01	01
3	Col(Retd) Avtar Singh Bajwa	Member	Independent, Non-Executive	01	01

## Report on Corporate Governance

The Nomination & Remuneration Committee met on 18.05.2016. The Chairman of the Nomination and Remuneration Committee was present at the last AGM held on 30th September 2016.

**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 are paid sitting fees for each meeting of the Board of Directors attended by them of such sum as may be approved by the Board of Directors within the overall limits prescribed under the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. As at 31.03.2017 the Company was paying sitting fees of ₹15,000/- per meeting to Non-

Executive Directors which have increased to ₹20,000/- per meeting w.e.f 22.05.2017. Other than sitting fees, no other remuneration has paid to Non-Executive Directors for the year 2016-17. 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 calibre talent.

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, 2017 are as follows:**

Name	Category of Directors (As at 31.03.2017)	Salary including allowances (₹)	Sitting fees (₹)	Total (₹)
Subhash Chander Garg	Chairman & Whole Time Director Executive & Promoter	10920000	-	10920000
Jatinder Singh	Co-Chairman & Whole Time Director Executive & Promoter	10920000	-	10920000
Umesh Chander Garg	Managing Director Executive & Promoter	10920000	-	10920000
Vipin Gupta	CFO & Whole Time Director Executive & Professional	3496000	-	3496000
Dalbir Singh	Non-Executive Independent	-	75000	75000
Surinder Gupta	Non-Executive Independent	-	75000	75000
Col(Retd). Avtar Singh Bajwa	Non-Executive Independent	-	75000	75000
S.K.Dewan	Non-Executive Independent	-	75000	75000
Mrs. Suhasini Yadav	Non-Executive Independent	-	75000	75000

### **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 a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

### **C. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Committee oversees Redressal of shareholders and investors grievances, like transfer of shares, non-receipt of Annual Report,

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

The 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.

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.

## Report on Corporate Governance

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	03

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

The Committee met four times during the year on 18.05.2016, 05.08.2016, 24.10.2016 and 30.01.2017.

Number of Complaints received and resolved during the year: 33 (Thirty Three)

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 Gupta	Chairman	Independent Non-Executive	05	05
2	Jatinder Singh	Member	Non-Independent Executive	05	05
3	Subhash Chander Garg	Member	Non-Independent Executive	05	04
4.	Umesh Chander Garg	Member	Non-Independent Executive	05	05
5.	Vipin Gupta	Member	Non-Independent Executive	05	05

The Committee met five times during the year on 18.05.2016, 05.08.2016, 24.10.2016 and 30.01.2017, 03.03.2017

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	02	02
2	Mrs. Suhasini Yadav	Member	Independent Non-Executive	02	02
3	Jatinder Singh	Member	Non-Independent Executive	02	02
4	Vipin Gupta	Member	Non-Independent Executive	02	02

The Company Secretary acts as the Secretary of the Committee.

The Committee met two times during the year on 11.03.2017 and 21.03.2017.

## Report on Corporate Governance

### DISCLOSURES:

#### 3. RELATED PARTY TRANSACTIONS:

The Company had taken prior approval of the Shareholders for all related party transactions held during the F.Y 2016-17 except related party transaction with M/S Jasmer Foods Private Limited for which omnibus approval was granted by Audit Committee. The same has been incorporated in Notice for the ratification of the shareholders in the ensuing AGM. Further confirmations have been placed before the Audit Committee and Board that all related party transactions during the year under reference were in the ordinary course of business and on arm's length basis. Transactions with related parties are set out in Note No. 27 of the Notes on Accounts, forming part of the Annual Report. The Policy on dealing with related party transactions can be accessed at <http://www.ruchirapapers.com/investors.html>.

All related party transactions during the F.Y 2016-17 are detailed in AOC-2 forming part of Directors Report. In terms, of Section 177, 188 and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules issued there under, the appointment and remuneration payable to the related parties holding office or place of profit is approved by the Board of Directors on the recommendation of the Audit Committee and is further approved by the Shareholders.

#### 4. 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.

#### 5. 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.

#### 6. DISCLOSURE REGARDING APPOINTMENT OR RE-APPOINTMENT OF DIRECTORS:

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

#### 7. 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 the Board Meeting(s) attended. 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, 2017.

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:

- a) Mr. Subhash Chander Garg an Executive Director, was Chairman of the Company as at 31.03.2017 and more than 50% of the Board comprises of Non-Executive and Independent directors.
- b) Presently, half yearly financial performance is not being sent to any shareholder.
- c) The Company is having separate posts of Chairperson and Managing Director
- d) The Internal Auditor directly reports to the Audit Committee.
- e) The financial statements of the Company are with unmodified audit opinion.

#### 8. MEANS OF COMMUNICATION:

- i) 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](http://www.ruchirapapers.com).

## Report on Corporate Governance

- ii) 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 BSE 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 BSE 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.

### 9. 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
2014	25.09.2014	11.30 A.M	Hotel Black Mango, Nahan Road, Kala-Amb, Distt. Sirmour. (H.P.)-173030	12
2015	25.09.2015	11.30 A.M	Hotel Black Mango, Nahan Road, Kala-Amb, Distt. Sirmour. (H.P.)-173030	04
2016	30.09.2016	11.15 A.M	Hotel Black Mango, Nahan Road, Kala-Amb, Distt. Sirmour. (H.P.)-173030	01

No Extraordinary General Meeting of the Members was held during the year 2016-17.

No special resolution was passed by way of postal ballot during the year 2016-17 and no Special Resolution is proposed to be passed through Postal Ballot at the ensuing Annual General Meeting.

### 10. SHAREHOLDERS INFORMATION

#### A. General Shareholder Information:

Annual General Meeting (Date, time and venue)	21st September 2017, Thursday at 11.15 A.M. at Hotel Black Mango, Nahan Road, Kala Amb, Distt. Sirmour (H.P.)-173030.			
Financial Year	01st April to 31st March.			
Dividend Payment Date	The dividend, if declared shall be paid/credited on or after Wednesday, 04th October 2017.			
Book Closure date	15.09.2017 to 21.09.2017 (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)
	2011-12	Nil	Nil	Nil
	2012-13	10%	1.00	2.42
	2013-14	12%	1.20	2.69
	2014-15	13%	1.30	2.91
	2015-16	15%	1.50	3.36

## Report on Corporate Governance

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 2016-17.
ISIN Number for NSDL and CDSL	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: 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-1, Near PVR Naraina, New Delhi-110028. 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>(a) For shares held in physical form: 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) For shares in electronic/ dematerialized form: 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	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
Plant Location	Trilokpur Road, Kala Amb, Distt. Sirmour (Himachal Pradesh) -173030

## Report on Corporate Governance

## B. Market Price Data: Monthly High/low during each month of 2016-17 on both Stock exchanges, Mumbai.

Months	Share prices of the Company for the period 2016-17			
	NSE		BSE	
	High (₹)	Low (₹)	High (₹)	Low (₹)
April 2016	75.70	62.50	77.80	62.00
May 2016	75.95	63.65	78.40	60.00
June 2016	73.25	64.30	75.50	63.85
July 2016	83.35	70.25	84.45	70.00
August 2016	86.65	72.55	89.25	72.10
September 2016	85.80	78.80	87.15	77.10
October 2016	123.05	85.05	123.90	82.00
November 2016	128.30	96.75	132.50	91.10
December 2016	107.30	101.25	111.55	100.10
January 2017	138.25	105.20	143.40	103.45
February 2017	140.60	122.85	144.50	116.80
March 2017	157.05	135.50	161.00	135.00

## C. Share Price Performance in comparison to broad based indices- BSE Sensex and NSE Nifty as on March 31, 2017.

	BSE (% Change)		NSE (% Change)	
	Ruchira	Sensex	Ruchira	Nifty
F.Y 2016-17	149.68%	17.22%	150.72%	18.93%

## D. Distribution of equity shareholding as on 31st March, 2017:

Shareholding of Shares	Shareholders		Shares	
	Number	% of Total Shareholders	No. of Shares	% of Total Shares
Up to 500	9597	81.71	1473028	6.57
501 - 1000	1034	8.80	848621	3.78
1001 - 2000	532	4.53	824377	3.68
2001 - 3000	185	1.58	480914	2.14
3001 - 4000	80	0.68	290140	1.29
4001 - 5000	77	0.66	368600	1.65
5001 - 10000	105	0.89	779938	3.48
10001 & Above	135	1.15	17356186	77.41
<b>TOTAL</b>	<b>11745</b>	<b>100.00</b>	<b>22421804</b>	<b>100.00</b>

## Report on Corporate Governance

### E. Categories of equity shareholders as on 31st March, 2017:

Categories	Number of Shares	%
Promoters, Directors, Relatives and Promoter Group	13708278	61.14
Director and Director's Relative	18742	0.08
Independent Directors	500	
Mutual Funds/UTI	Nil	Nil
Financial Institutions/Banks	23813	0.11
Foreign Portfolio Investors	253703	1.13
Bodies Corporate	685961	3.06
Non Resident Indians	417787	1.86
Clearing Members	126932	0.57
Indian Public	6908657	30.81
HUF	277381	1.24
Trust	50	-
<b>TOTAL</b>	<b>22421804</b>	<b>100</b>

### F. Top Ten Equity Shareholders of the Company as on 31st March 2017:

Sr. No.	Name of the Shareholder	Number of Equity Shares held	Percentage of holding
01.	Jatinder Singh	2359090	10.52
02.	Umesh Chander Garg	1268855	5.66
03.	Charanjeet Kaur	1167934	5.21
04.	Umesh Chander Garg (HUF)	848569	3.78
05.	Subhash Chander Garg	848170	3.78
06.	Shashi Garg	833409	3.72
07.	Deepan Garg	657959	2.93
08.	Radhika Garg	646841	2.88
09.	Subhash Chander Garg (HUF)	638625	2.85
10.	Parveen Garg	614505	2.74

### G. Shares held by Independent Directors as on 31st March, 2017:

S. No	Name	No. of Shares
1.	Dalbir Singh	100
2.	Surinder Gupta	100
3.	Col(Retd.) A.S.Bajwa	100
4.	S.K.Dewan	100
5.	Mrs. Suhasini Yadav	100

## Report on Corporate Governance

### H. Dematerialization of Shares:

The shares of the Company can be traded in dematerialized form with NSDL and CDSL. As on 31st March, 2017, a total of 22421642 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 2017. However the Board of Directors has approved the issuance of 18,30,000 Share Warrants Convertible into Equity shares at their meeting held on 03rd March 2017. The shareholders' approval was also obtained through Postal Ballot on dated 11th April 2017.

### J. 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.

### K. 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 from time to time pay interim dividend(s) to shareholders.

### L. 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>.

### M. 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 1, 2016	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 31, 2017	02	615

The voting rights on the shares outstanding in the suspense account as on 31st March 2017 shall remain frozen till the rightful owner of such shares claims the shares.

### N. 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.

## Report on Corporate Governance

The following table contains the information relating to outstanding dividend account as on 31st March 2017 and the dates by which it can be claimed by the shareholders.

Financial Year	Dividend Per Share	Date of Declaration	Last date for Claiming the unpaid dividend
2012-13	₹1.00	March 22, 2013	March 21, 2020
2013-14	₹1.20	September 25, 2014	September 24, 2021
2014-15	₹1.30	September 25, 2015	September 24, 2022
2015-16	₹1.50	September 30, 2016	September 29, 2023

### Declaration of Compliance with the Code of Conduct.

I hereby confirm that:

The Company has obtained from all the members of the Board and Senior Management Personnel, affirmation(s) that they have complied with Code of Conduct for Board Members and Senior Management Personnel in respect of the Financial Year ended 31st March 2017.

Place: Kala Amb  
Date: 22.05.2017

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 2017, 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, March 2017.

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: 22.05.2017

## 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, 2017 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. Significant changes in internal control over financial reporting during the year;
2. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
3. Instances of significant fraud of which they have become aware and the 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: 22.05.2017

**Umesh Chander Garg**  
(Managing Director)

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

## Independent Auditor's Report

To The Members of  
**Ruchira Papers Limited**

### Report on the Standalone Financial Statements:

We have audited the accompanying standalone financial statements of Ruchira Papers Limited ("The Company"), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone 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 and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An Audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view, in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2017, and its profit and its cash flows for the Year ended on that date.

### 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 of India 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, 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 account 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of accounts.
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014.

- (e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B" and
- (g) With respect of the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statement.
  - (ii) The Company has long term contracts for which there were no material foreseeable losses. The Company does not have long term derivative contracts.
  - (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the Year.
  - (iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 08th November 2016 to 30th December 2016. Based on audit procedures and relying on the management representations we report that the disclosure are in accordance with books of accounts maintained by the Company and as produced to us by the management- Refer Note No. 30 to financial statements.

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

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

Date: 22.05.2017  
Place: Kala- Amb

## Annexure A to Independent Auditor's Report

Referred to in our Independent Auditor's of even date to the members of Ruchira Papers Limited on the Standalone financial statements as of and for the ended March 31, 2017

- 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 examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. The physical verification of inventory except stocks in transit have 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.
- 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. According 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, the Company is generally regular in depositing the undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Taxes, Sales Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues, as applicable, 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, Sales Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues, were in arrears as at 31st March 2017 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, Sales Tax, Service-Tax, Duty of Custom, Duty of Excise, Value Added Tax And Cess 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 explanation 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 applied for the purpose for which those are raised.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- 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 not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the orders are not applicable to the Company.
- 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 (F.C.A.)**  
Partner  
Membership No. 089077

Date: 22.05.2017  
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 standalone financial statements for the year ended March 31, 2017

### Report on the Internal Financial Controls 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 March 31, 2017 in conjunction with our audit of the standalone 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 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 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, the company has, in all material respects, an adequate internal financial controls system financial reporting and such internal financial controls over financial reporting were operating effectively

as at March 31, 2017, 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 (F.C.A.)**  
Partner  
Membership No. 089077

Date: 22.05.2017  
Place: Kala- Amb

## Balance Sheet

As at 31st March, 2017

(Amount in ₹)			
	Note No.	As at 31st March, 2017	As at 31st March, 2016
<b>EQUITY AND LIABILITIES</b>			
<b>Shareholders' funds</b>			
Share capital	1	224218040	224218040
Reserves and surplus	2	1303296155	982807363
		<b>1527514195</b>	<b>1207025403</b>
<b>Non-current liabilities</b>			
Long-term borrowings	3	233026291	234257010
Deferred tax liabilities (Net)	4	278794021	265240044
Other Long term liabilities	5	104881375	107570914
Long-term provisions	6	17379113	14962716
		<b>634080800</b>	<b>622030684</b>
<b>Current liabilities</b>			
Short-term borrowings	7	373503181	343381882
Trade payables	8	193184862	151617393
Other current liabilities	9	139971243	186081482
Short-term provisions	10	177870169	162388490
		<b>884529455</b>	<b>843469247</b>
<b>TOTAL</b>		<b>3046124450</b>	<b>2672525334</b>
<b>ASSETS</b>			
<b>Non-current assets</b>			
<b>Fixed assets</b>			
Tangible assets	11	1784865797	1728414222
Capital work-in-progress	11	34037916	-
Non-current investments	12	2500	2500
Long-term loans and advances	13	3461828	3461828
		<b>1822368041</b>	<b>1731878550</b>
<b>Current assets</b>			
Inventories	14	553161377	408570790
Trade receivables	15	437924932	344203839
Cash and cash equivalents	16	16358015	15741938
Short-term loans and advances	17	216312085	172130217
		<b>1223756409</b>	<b>940646784</b>
<b>TOTAL</b>		<b>3046124450</b>	<b>2672525334</b>

This is the Balance Sheet referred to in our report of even date.

The Notes refer to above form part of the Balance Sheet.

**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: 22nd May 2017

**For and on behalf of Board of Directors****Jatinder Singh**

(Co-Chairman &amp; Whole Time Director)

**Umesh Chander Garg**

(Managing Director)

**Vipin Gupta**

(CFO &amp; Whole Time Director)

**Vishav Sethi**

(Company Secretary)

## Statement of Profit &amp; Loss

For year ended 31st March, 2017

(Amount in ₹)

	Note No.	2016-17	2015-16
<b>REVENUE FROM OPERATIONS</b>	18	4173758206	3625812223
Other income	19	10028446	11446258
<b>Total Revenue</b>		<b>4183786652</b>	<b>3637258481</b>
<b>EXPENSES</b>			
Cost of materials consumed	20	2674468201	2292924274
Changes in inventories of finished goods work-in-progress and Stock-in-Trade	21	(27040917)	33918043
Employee benefits expense	22	338888481	295425191
Finance costs	23	79178462	74040073
Depreciation and amortization expenses	11	105941149	95039737
Other expenses	24	554705043	528720577
Total expenses		3726140419	3320067895
<b>Profit before exceptional and extraordinary items and tax</b>		<b>457646233</b>	<b>317190586</b>
Exceptional items		119656	(505548)
<b>Profit before extraordinary items and tax</b>		<b>457526577</b>	<b>317696134</b>
Extraordinary Items		-	-
<b>Profit before tax</b>		<b>457526577</b>	<b>317696134</b>
Tax expense:			
Current tax		137314928	86700000
Deferred tax		13553977	36104147
Earlier year taxes		(13831120)	185871
<b>Profit (Loss) for the period</b>		<b>320488792</b>	<b>194706116</b>
<b>Profit/(loss) from Discontinuing operations (after tax)</b>		<b>-</b>	<b>-</b>
<b>Profit (Loss) for the period</b>		<b>320488792</b>	<b>194706116</b>
Earnings per equity share:			
(1) Basic		14.29	8.68
(2) Diluted		14.29	8.68

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 Statement of Profit and Loss.

**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: 22nd May 2017

**For and on behalf of Board of Directors****Jatinder Singh**

(Co-Chairman &amp; Whole Time Director)

**Vipin Gupta**

(CFO &amp; Whole Time Director)

**Umesh Chander Garg**

(Managing Director)

**Vishav Sethi**

(Company Secretary)

## Cash Flow Statement

As on 31st March, 2017

	(Amount in ₹)	
	2016-17	2015-16
<b>A CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax as per Profit and Loss Account	457526577	317696134
Adjusted for:		
Loss/(Profit) on sale of Fixed Assets	119656	(505548)
Depreciation and amortization expenses	105941149	95039737
Interest Income	(9595379)	(11428103)
Interest Expense	74687213	68767976
	171152639	151874062
<b>Operating Profit before working capital changes</b>		
Adjusted for:		
Decrease/(increase) in Trade Receivables	(93721093)	(4223640)
Decrease/(increase) in Inventories	(144590587)	50308374
Decrease/(increase) in Loans & advances	(3211330)	2899229
(Decrease)/increase in Trade Payables	41567469	(68146145)
(Decrease)/increase in Other Current Liabilities	15523193	34773205
	(184432348)	15611023
<b>Cash generated from Operations</b>	444246868	485181219
Income Tax Paid(Net)	(113839418)	(81034912)
<b>Net Cash from Operating Activities</b>	<b>330407450</b>	<b>404146307</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	(197060296)	(334788589)
Proceeds from sale of Fixed assets	510000	1386000
Interest received	9595379	11428103
<b>Net Cash (Used in) Investing Activities</b>	<b>(186954917)</b>	<b>(321974486)</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Long Term Borrowings	131471578	218129432
Repayments of Long Term Borrowing	(189262466)	(173793528)
Proceeds from Short Term Borrowings(Net)	30121299	(27201672)
Dividend Paid	(33632706)	(29148346)
Dividend Distribution Tax	(6846948)	(5827954)
Interest Paid	(74687213)	(68767976)
<b>Net Cash (Used in) From Financing activities</b>	<b>(142836456)</b>	<b>(86610044)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash equivalents (A+B+C)</b>	<b>616077</b>	<b>(4438223)</b>
Cash & Cash equivalents at beginning of the period	15741938	20180161
Cash & Cash equivalents at end of the period*	16358015	15741938

\* Include towards unclaimed dividend of ₹510511/- (Previous year ₹327000/-)

**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

For and on behalf of Board of Directors

Jatinder Singh

(Co-Chairman &amp; Whole Time Director)

Umesh Chander Garg

(Managing Director)

Vipin Gupta

(CFO &amp; Whole Time Director)

Vishav Sethi

(Company Secretary)

Place: Kala-Amb

Date: 22nd May 2017

## Significant Accounting Policies

### A. Basis for preparation of financial statements

The financial statements are prepared to comply in all material respects with Accounting Principles Generally accepted in India (Indian GAAP), the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The financial statements have been prepared under the historical cost convention using accrual method of accounting. The financial statements are presented in Indian Rupees rounded off to the nearest rupees.

### B. Use of Estimates

The preparation of financial statements in conformity with Indian GAAP requires judgments, estimates and assumptions to be made that affect the reported amount of assets and liabilities, disclosure of Contingent Liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known /materialized.

### C. Own Fixed Assets and depreciation

- i) Fixed Assets are stated at cost net of recoverable taxes, trade discounts and rebates and includes amounts added on revaluation, less accumulated depreciation and impairment loss, 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. Projects under which assets are not ready for their intended use are shown as Capital Work in Progress.
- ii) Depreciation on fixed assets other than vehicles and furniture is provided on straight line method at the rates and in the manner prescribed in Schedule II of the Companies Act, 2013. Depreciation on vehicles and furniture has been provided on written down value method.
- iii) The depreciation on plant and machinery and effluent treatment plant has been provided on the rates applicable to continuous process plant.

### D. Impairment of Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss recognized in prior accounting period is reversed if there has been a change in the estimate of recoverable amount.

### E. Foreign Currency Transactions

- i) Transactions denominated in foreign currency are recorded at the exchange rate prevailing on the date of transaction or that approximate the actual rate at the date of the transaction.
- ii) Any income and expense on account of exchange difference either on settlement or on transaction is recognized in the Statement of Profit and Loss, except in the case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

### F. Investments

Long term investments are stated at cost. Provision for diminution of the value of long term investments is made only if such a decline is other than temporary.

### G. Inventories

- i) 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.
- ii) Cost for the purpose of valuation of finished goods and goods in process is computed on the basis of cost of material, labour and other related overheads.

## Significant Accounting Policies

### H. Revenue recognition

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

### I. Excise Duty

Excise duty is accounted on the basis payment made in respect of goods cleared.

### J. Employee Benefits

- i) Short term benefits employee benefits are recognized as an expense in the Statement of Profit and Loss of the year in which the related service is rendered.
- ii) Post employment and other long term employee benefits are recognized as an expense in the Statement of Profit and Loss for the year in which the employee has rendered the services. The expense is recognized at the present value of the amounts payable determined using actuarial valuation techniques. Actuarial gains and losses in respect post employment and other long term benefits are charged to the Statement of Profit and Loss.

### K. Borrowing Costs

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

### L. Provision for Current and Deferred Tax

Tax expense 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. Deferred Income Taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of early years. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets are recognized on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable profits. Unrecognized deferred tax assets of earlier years are reassessed and recognized to the extent that it has become reasonably certain that future taxable income will be available against which such deferred tax assets can be realized.

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. Segment Reporting

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

### N. 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.

## Notes on Financial Statements

For year ended 31st March, 2017

## 1 SHARE CAPITAL

(Amount in ₹)

	As at 31st March, 2017	As at 31st March, 2016
<b>Authorised Share Capital</b>		
31000000 Equity Shares of ₹10/- each (31000000)	310000000	310000000
<b>Issued Subscribed and Paid up</b>		
22421804 Equity Shares of ₹10/- each fully paid up (22421804)	224218040	224218040
<b>TOTAL</b>	<b>224218040</b>	<b>224218040</b>

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

	As at 31st March, 2017	As at 31st March, 2016
	Number of Shares	Number of Shares
Equity Shares at the beginning of the Year	22421804	22421804
Add: Equity Shares Issued during the year	-	-
Less: Equity Shares bought back during the year	-	-
Equity Shares at the end of the year	22421804	22421804

## 1.3 The details of Shareholders holding more than 5% Shares

Name of Shareholder	As at 31st March, 2017		As at 31st March, 2016	
	No. of Shares	% held	No. of Shares	% held
Sh.Jatinder Singh	2359090	10.52%	2306633	10.29%
Sh.Umesh Chander Garg	1268855	5.66%	1220316	5.44%
MS.Charanjeet Kaur	1167934	5.21%	1134534	5.06%

## 2 RESERVES AND SURPLUS

(Amount in ₹)

	As at 31st March, 2017	As at 31st March, 2016
<b>Securities Premium Account</b>		
As per last Balance Sheet	181086953	181086953
Add : Securities premium credited on Share issue	-	-
Less : Premium Utilised for various reasons	-	-
	181086953	181086953
<b>General Reserve</b>		
As per last Balance Sheet	39626724	29891418
(+) Current Year Transfer	-	9735306
(-) Written Back in Current Year	-	-
	39626724	39626724
<b>Profit and Loss Account</b>		
As per last Balance Sheet	762093686	617602530
(+) Net Profit/(Net Loss) For the current year	320488792	194706116
(+) Transfer from Reserves	-	-
(-) Proposed Dividends	-	33632706
{Dividend Per Share ₹2.25 (Previous Year-₹1.50)}		
(-) Transfer to General Reserve	-	9735306
(-) Interim Dividend on equity shares	-	-
(-) Dividend Tax	-	6846948
	1082582478	762093686
<b>TOTAL</b>	<b>1303296155</b>	<b>982807363</b>

## Notes on Financial Statements

For year ended 31st March, 2017

**3 LONG TERM BORROWINGS**

(Amount in ₹)

	As at 31st March, 2017	As at 31st March, 2016
	Non-Current	Non-Current
<b>Secured</b>		
<b>Term Loans</b>		
From Banks	159877579	145793108
From Others	30118712	36933902
	189996291	182727010
<b>Unsecured</b>		
From Other(Promoters)	43030000	51530000
<b>TOTAL</b>	<b>233026291</b>	<b>234257010</b>

3.1 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.

**4 DEFERRED TAX LIABILITY (Net)**

(Amount in ₹)

	As at 31st March, 2017	As at 31st March, 2016
<b>Deferred Tax Liability</b>		
Related to fixed assets	286076757	271101819
<b>Deferred Tax Assets</b>		
Unabsorbed Depreciation/disallowances under the Income Tax Act, 1961	7282736	5861775
<b>TOTAL</b>	<b>278794021</b>	<b>265240044</b>

**5 OTHER LONG TERM LIABILITIES**

(Amount in ₹)

	As at 31st March, 2017	As at 31st March, 2016
<b>Others</b>		
Creditors for Capital Work	3354713	19526134
Security Deposit From Suppliers	24250000	24250000
Security Deposit From Customers	77276662	63794780
	104881375	107570914
<b>TOTAL</b>	<b>104881375</b>	<b>107570914</b>

**6 LONG TERM PROVISIONS**

(Amount in ₹)

	As at 31st March, 2017	As at 31st March, 2016
<b>Provision for employee benefits</b>		
Leave Encashment	17379113	14962716
<b>TOTAL</b>	<b>17379113</b>	<b>14962716</b>

## Notes on Financial Statements

For year ended 31st March, 2017

**7 SHORT TERM BORROWINGS**

(Amount in ₹)

	As at 31st March, 2017	As at 31st March, 2016
<b>Secured</b>		
<b>Working Capital Loans from Banks</b>		
Rupee Loans	373503181	343381882
<b>TOTAL</b>	<b>373503181</b>	<b>343381882</b>

7.1 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 second Parri Passu charge on the fixed assets of the company.

**8 TRADE PAYABLES**

(Amount in ₹)

	As at 31st March, 2017	As at 31st March, 2016
Micro Small and Medium Enterprises	11121407	12280986
Others	182063455	139336407
<b>TOTAL</b>	<b>193184862</b>	<b>151617393</b>

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

	As at 31st March, 2017	As at 31st March, 2016
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.	-	-

**9 OTHER CURRENT LIABILITIES**

(Amount in ₹)

	As at 31st March, 2017	As at 31st March, 2016
Current maturities of long-term debts	96063277	152623446
Advances from Customers*	13315755	11814884
Unclaimed dividend **	510511	327000
Statutory dues	16211055	11669442
Other provisions (expenses payable)	13870645	9646710
	139971243	186081482
<b>TOTAL</b>	<b>139971243</b>	<b>186081482</b>

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

\*\*These figures do not include any amounts, due and outstanding to be credited to Investor Education and Protection Fund except ₹3075/- (Previous Year ₹2152/-) which is held in abeyance.

## Notes on Financial Statements

For year ended 31st March, 2017

## 10 SHORT TERM PROVISIONS

(Amount in ₹)

	As at 31st March, 2017	As at 31st March, 2016
<b>Provision for employee benefits</b>		
Salary & Reimbursements	18841781	16676179
Leave Encashment	3664390	1974914
Contribution to PF	3876055	3431181
Superannuation	590429	415258
Annual Bonus	13582586	12711304
	40555241	35208836
<b>(b) Others</b>		
Proposed Dividend	-	33632706
<b>Provision for</b>		
Dividend Tax	-	6846948
Income Tax	137314928	86700000
	137314928	127179654
<b>TOTAL</b>	<b>177870169</b>	<b>162388490</b>

## 11 FIXED ASSETS

(Amount in ₹)

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	AS AT 01.04.2016	ADDITIONS	SALE/ TRANSFER	AS AT 31.03.2017	UPTO 31.03.2016	FOR THE YEAR	DEPRECIATION ON SALE OF ASSETS ADJ.	AS AT 31.03.2017	AS AT 31.03.2017	AS AT 31.03.2016
1	2	3	4	5	6	7	8	9	10	11
<b>TANGIBLE ASSETS:</b>										
<b>OWN ASSETS:</b>										
LAND	106346117	-	-	106346117	-	-	-	-	106346117	106346117
BUILDING	299301912	1630750	-	300932662	96491437	9426234	-	105917671	195014991	202810475
OFFICE BUILDING	58167215	-	-	58167215	3468346	919042	-	4387388	53779827	54698869
PLANT & MACHINERY	2100369851	140193368	8,88,000.00	2239675219	788327129	80887959	369772	868845316	1370829903	1312042722
EFFLUENT TREATMENT PLANT	60340270	-	-	60340270	41049733	2232187	-	43281920	17058350	19290537
TUBE WELL	5096111	-	-	5096111	2721711	963664	-	3685375	1410736	2374400
FURNITURE	8875791	3472393	-	12348184	7443733	1004604	-	8448337	3899847	1432058
TOOLS & EQUIPMENTS	1039298	-	-	1039298	331455	39334	-	370789	668509	707843
LAB. EQUIPMENTS	6203673	56,100.00	-	6259773	3674354	481935	-	4156289	2103484	2529319
OFFICE EQUIPMENTS	6634288	1784009	-	8418297	3821115	1489521	-	5310636	3107661	2813173
VEHICLES	76136827	13590354	1483205	88243976	56298642	6459349	1371777	61386214	26857762	19838185
FAX MACHINE	209730	-	-	209730	209729	-	-	209729	1	1
WEIGHING SCALE	3556603	661340	-	4217943	2405231	554465	-	2959696	1258247	1151372
COMPUTERS	6020585	575072	-	6595657	5357180	569359	-	5926539	669118	663405
Fire Fighting	359416	662289	-	1021705	232934	146293	-	379227	642478	126482
PBX	402281	-	-	402281	355504	46776	-	402280	1	46777
PHOTOSTAT MACHINE	436101	49875	-	485976	340843	89116	-	429959	56017	95258
TELEPHONES	3235267	346830	-	3582097	1788038	631311	-	2419349	1162748	1447229
<b>SUB-TOTAL (A)</b>	<b>2742731336</b>	<b>163022380</b>	<b>2371205</b>	<b>2903382511</b>	<b>1014317114</b>	<b>105941149</b>	<b>1741549</b>	<b>1118516714</b>	<b>1784865797</b>	<b>1728414222</b>
<b>INTANGIBLE ASSETS</b>	-	-	-	-	-	-	-	-	-	-
<b>SUB-TOTAL (₹) (B)</b>	-	-	-	-	-	-	-	-	-	-
<b>CAPITAL WORK IN PROGRESS</b>										
PLANT & MACHINERY(CWIP)	-	28869999	-	28869999	-	-	-	-	28869999	-
BUILDING UNDER CONSTRUCTION(CWIP)	-	3465955	-	3465955	-	-	-	-	3465955	-
TUBEWELL (CWIP)	-	1701962	-	1701962	-	-	-	-	1701962	-
<b>SUB-TOTAL (₹) (C)</b>	-	<b>34037916</b>	-	<b>34037916</b>	-	-	-	-	<b>34037916</b>	-
<b>TOTAL (A+B+C)</b>	<b>2742731336</b>	<b>197060296</b>	<b>2371205</b>	<b>2937420427</b>	<b>1014317114</b>	<b>105941149</b>	<b>1741549</b>	<b>1118516714</b>	<b>1818903713</b>	<b>1728414222</b>
Previous Year	2414714973	343329124	15312761	2742731336	925169151	95039737	5891774	1014317114	1728414222	

## Notes on Financial Statements

For year ended 31st March, 2017

**12 NON CURRENT INVESTMENTS (Long term investments)**

(Amount in ₹)

	As at 31st March, 2017	As at 31st March, 2016
<b>Other Investments</b>		
In Equity Shares-Unquoted, fully paid up		
250 Shivalik Solid waste Management Ltd. ₹10 each (250)	2500	2500
<b>TOTAL</b>	<b>2500</b>	<b>2500</b>

**13 LONG TERM LOANS AND ADVANCES (Unsecured and Considered Good)**

(Amount in ₹)

	As at 31st March, 2017	As at 31st March, 2016
<b>Security Deposits</b>		
With HPSEB and Other Government Departments	3461828	3461828
<b>TOTAL</b>	<b>3461828</b>	<b>3461828</b>

**14 INVENTORIES**

(Amount in ₹)

	As at 31st March, 2017	As at 31st March, 2016
Raw Materials and components	249711743	166848728
Work-in-progress	40930550	39303500
Finished goods	48581858	23167991
Stores and spares	213937226	179250571
<b>TOTAL</b>	<b>553161377</b>	<b>408570790</b>

**15 TRADE RECEIVABLES (Unsecured and Considered Good)**

(Amount in ₹)

	As at 31st March, 2017	As at 31st March, 2016
Over Six Months	16921900	12978207
Others	421003032	331225632
<b>TOTAL</b>	<b>437924932</b>	<b>344203839</b>

**16 CASH & BANK BALANCES**

(Amount in ₹)

	As at 31st March, 2017	As at 31st March, 2016
Balances with Banks*	1157539	375937
Cash in hand	1489018	1982743
Margin Money*	13711458	13383258
<b>TOTAL</b>	<b>16358015</b>	<b>15741938</b>

\*Balance with bank includes ₹510511/- as Unpaid Dividend (Previous Year- ₹327000) and margin money includes ₹10848458/- as fixed deposits with Banks having maturity period of more than 12 months (Previous Year - ₹12026458/-).

**17 SHORT TERM LOANS AND ADVANCES (Unsecured and Considered Good)**

(Amount in ₹)

	As at 31st March, 2017	As at 31st March, 2016
Others		
Balance with revenue authorities	155200398	120561319
Other loan and advances	50133627	42124357
Interest incurred but not due	10978060	9444541
	216312085	172130217
<b>TOTAL</b>	<b>216312085</b>	<b>172130217</b>

## Notes on Financial Statements

For year ended 31st March, 2017

## 18 REVENUE FROM OPERATIONS

(Amount in ₹)

	2016-17	2015-16
Sale of products	4273643944	3709308847
Less: Excise duty	99885738	83496624
<b>TOTAL</b>	<b>4173758206</b>	<b>3625812223</b>

## PARTICULARS OF SALE OF PRODUCTS

(Amount in ₹)

	2016-17	2015-16
Kraft Paper	1674425044	1396802392
Writing & Printing Paper	2591540127	2304544501
Ash/Sludge or Others	7678773	7961954
<b>TOTAL</b>	<b>4273643944</b>	<b>3709308847</b>

## 19 OTHER INCOME

(Amount in ₹)

	2016-17	2015-16
Interest Income	9595379	11428103
Difference in foreign Currency	401271	-
Duty Draw Back Incentive	7912	-
Dividend Income	-	250
Short & excess recoveries	23884	17905
<b>TOTAL</b>	<b>10028446</b>	<b>11446258</b>

## 20 COST OF MATERIALS CONSUMED

(Amount in ₹)

	2016-17		2015-16	
	Amount	Consumption Percentage	Amount	Consumption Percentage
Imported	147728159	5.52	135680795	5.92
Indigenous	2526740042	94.48	2157243479	94.08
<b>TOTAL</b>	<b>2674468201</b>	<b>100.00</b>	<b>2292924274</b>	<b>100.00</b>

## 20.1 PARTICULARS OF MATERIAL CONSUMED

(Amount in ₹)

	2016-17		2015-16	
Raw Materials	1675009195		1379727425	
Fuel	536446045		454142242	
Chemicals	463012961	2674468201	459054607	2292924274
<b>TOTAL</b>	<b>2674468201</b>		<b>2292924274</b>	

## Notes on Financial Statements

For year ended 31st March, 2017

**21 CHANGES IN INVENTORIES OF FINISHED GOODS & STOCK IN PROCESS**

(Amount in ₹)

	<b>2016-17</b>	<b>2015-16</b>
Inventories (At close)		
- Finished Goods	48581858	23167991
- Semi Finished Goods and Goods in process	40930550	39303500
	89512408	62471491
Inventories (At commencement)		
- Finished Goods	23167991	60759534
- Semi Finished Goods and Goods in process	39303500	35630000
	62471491	96389534
<b>TOTAL</b>	<b>(27040917)</b>	<b>33918043</b>

**22 EMPLOYEE BENEFITS EXPENSE**

(Amount in ₹)

	<b>2016-17</b>	<b>2015-16</b>
Bonus to Staff	1906679	1880517
Bonus to Workers	11696583	10839187
Contribution towards Gratuity Fund	14988637	8756334
Conveyance Allowance	47750	58800
Directors' Remuneration	36256000	31384000
E.D.L.I. Charges	926302	827705
E.S.I.	3979803	3609750
Labour & Staff Welfare	2829409	2252596
Leave Encashment	5488079	5183388
PF & Administrative Charges	23287379	20843946
Production Staff Salaries	164994601	143208031
Salaries Adm. Staff	65300921	59776176
Wages	7186338	6804761
<b>TOTAL</b>	<b>338888481</b>	<b>295425191</b>

**22.1** As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard 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

## Notes on Financial Statements

For year ended 31st March, 2017

## I) Reconciliation of opening and closing balances of Defined Benefit Obligation

(Amount in ₹)

	Gratuity (Funded)		Leave Encashment (Un-Funded)	
	2016-17	2015-16	2016-17	2015-16
Defined Benefit Obligation at the beginning of Year	54635875	44363041	16937630	12221754
Current service cost	7393784	5956878	3595830	2999343
Interest Cost	4370870	3549043	1355010	977740
Past Service Cost	-	-	-	-
Actuarial (Gain)/Loss	7021093	2841829	537239	1206305
Benefits paid	(3257681)	(2074916)	(1382206)	(467512)
<b>Defined Benefit Obligation at the Year end</b>	<b>70163941</b>	<b>54635875</b>	<b>21043503</b>	<b>16937630</b>

## II) Reconciliation of opening and closing balances of Fair Value of Plan Assets

(Amount in ₹)

	Gratuity (Funded)	
	2016-17	2015-16
Fair Value of Plan Assets at the beginning of year	45079142	36417837
Expected return on plan Assets	3606331	2913427
Actuarial gain /(loss)	190779	677989
Employer Contribution	8756334	7144805
Benefits paid	(3257681)	(2074916)
Fair Value of Plan Assets at year end	54374905	45079142

## III) Reconciliation of Fair Value and Obligations

(Amount in ₹)

	Gratuity (Funded)		Leave Encashment (Un-Funded)	
	2016-17	2015-16	2016-17	2015-16
Fair Value of Plan Assets	70163941	54635875	21043503	16937630
Funded status/difference	(15789036)	(9556733)	(21043503)	(16937630)
Fair Value of Plan Assets at the end of the year	54374905	45079142		
Excess of actual over estimated	190779	677989		
<b>Amount recognized in Balance Sheet</b>	<b>(15789036)</b>	<b>(9556733)</b>	<b>(21043503)</b>	<b>(16937630)</b>

## IV) Expense recognized during the year

(Amount in ₹)

	Gratuity (Funded)		Leave Encashment (Un-Funded)	
	2016-17	2015-16	2016-17	2015-16
Current Service Cost	7393784	5956878	3595830	2999343
Past service cost	-	-	-	-
Interest Cost	4370870	3549043	1355010	977740
Expected return on plan Assets	(3606331)	(2913427)	-	-
Net Actuarial (Gain)/Loss	6830314	2163840	537239	1206305
<b>Net Cost</b>	<b>14988637</b>	<b>8756334</b>	<b>5488079</b>	<b>5183388</b>

## V) Investments Details

(Amount in ₹)

	Gratuity (Funded)	
	As at 31st March, 2017	As at 31st March, 2016
GOI Securities	-	-
Public Securities	-	-
State Government Securities	-	-
Insurance Policies	-	-
Others(including Bank Balances)	100	100
<b>TOTAL</b>	<b>100</b>	<b>100</b>

## Notes on Financial Statements

For year ended 31st March, 2017

## VI) Actuarial Assumptions

(Amount in ₹)

	Gratuity (Funded)		Leave Encashment (Un-Funded)	
	2016-17	2015-16	2016-17	2015-16
Mortality Table (LIC)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)	IALM (2006-08)
Discounting rate (per annum)	7.37%	8.00%	7.37%	8.00%
Expected rate of return on Plan Assets(per annum)				
Kraft Paper Unit	8.00%	8.00%	-	-
Writing & Printing Paper Unit	8.00%	8.00%	-	-
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.

## 23 FINANCE COSTS

(Amount in ₹)

	2016-17	2015-16
On Working Capital	37768586	38953200
On Term Loans	35052682	24953295
Bank Charges	4491249	5272097
Others	1865945	4861481
<b>TOTAL</b>	<b>79178462</b>	<b>74040073</b>

## 24 OTHER EXPENSES

(Amount in ₹)

	2016-17	2015-16
<b>Manufacturing Expenses</b>		
Ash Clearing Expenses	8191056	6827949
Broke Shifting Charges	1307350	1956125
Consumable Stores & Electric Repairs	93015957	96850535
E.T.P. Expenses	8410943	7505271
Lease Rent Expenses	120000	119784
Packing Material Consumed	68447341	62493601
Power	166744650	155522009
Repairs to Building	8703079	6153053
Repairs to Machinery	86547646	97467734
Sheet Cutting Charges	13107363	10471141
Testing Charges	335181	347301
Tractor Running & maintenance	2896423	2503420
	457826989	448217923
<b>Selling &amp; Distribution Expenses</b>		
Advertisement & Publicity	1587595	665532
Business/ Sales Promotion	5284975	3120646
Commission Paid	19938528	12181321
Freight & Forwarding	8641562	7807966
Rebate & Discount	11961032	14227541
	47413692	38003006

## Notes on Financial Statements

For year ended 31st March, 2017

## 24 OTHER EXPENSES

(Amount in ₹)

	2016-17	2015-16
<b>Establishment Expenses</b>		
Directors' Meeting Fees	375000	375000
Travelling & Conveyance	9503954	7353122
Rent	30000	30000
Water & Electricity Expenses	266552	1048785
Postage & Courier	465347	399285
Printing & Stationery	794139	669634
Corporate Social Responsibility (CSR)	2440000	747659
Donation	106100	176000
Telephone Expenses	1852131	1808151
Legal & Consultancy Expenses	2664686	2733639
Service Tax Paid	7577789	4893716
Vehicle Running & Maintenance	4401390	4130095
Bus Running & Maintenance	2242677	2219843
Repairs & Maintenance others	4181961	3699970
Insurance	8547968	7305133
News Papers & Periodicals	24728	31780
Auditors Remuneration		
- Statutory Audit	204250	180000
- Internal Audit	559000	514800
- Cost Audit	65325	65000
- Audit Expenses	221675	183625
Fees and Taxes	2306198	3826284
Filing Fee	10200	13669
Subscription	60000	94458
Training and Seminar Expenses	15350	-
Export Exps.	547942	-
	49464362	42499648
<b>TOTAL</b>	<b>554705043</b>	<b>528720577</b>

## 24.1 VALUE OF STORES, CONSUMABLES AND PACKING MATERIAL CONSUMED

(Amount in ₹)

	2016-17		2015-16	
	Amount	Consumption Percentage	Amount	Consumption Percentage
Imported	11254667	4.54	16461609	6.41
Indigenous	236756277	95.46	240350261	93.59
<b>TOTAL</b>	<b>248010944</b>	<b>100.00</b>	<b>256811870</b>	<b>100.00</b>

## 24.2 VALUE OF IMPORTS ON CIF BASIS IN RESPECT OF

(Amount in ₹)

	2016-17	2015-16
Raw Materials and Chemicals	137253889	88852517
Stores, Consumables and Packing materials	17928125	11159074
Plant & Machinery	4097269	36152001

## Notes on Financial Statements

For year ended 31st March, 2017

**24.3 PAYMENTS TO AUDITORS AS**

(Amount in ₹)

	2016-17	2015-16
Statutory & Tax Audit Fees	204250	180000
Reimbursement of Expenses	27100	28650
Cost Audit Fees	65325	65000
<b>TOTAL</b>	<b>296675</b>	<b>273650</b>

**24.4 EXPENDITURE IN FOREIGN CURRENCY:**

(Amount in ₹)

	2016-17	2015-16
Royalty, know-how, professional and consultation fee	-	-
Interest and other matters	-	-
Foreign Travelling	-	-
Machinery Spares including Advances	21490955	7601141
Machinery Purchase	4097269	38772456

**25 EARNINGS PER SHARE (EPS)**

(Amount in ₹)

	2016-17	2015-16
i) Net Profit after tax as per Statement of profit and Loss attributable to Equity shareholders	320488792	194706116
ii) Weighted Average number of equity share used as denominator for calculating EPS	22421804	22421804
iii) Basic and Diluted Earning per share	14.29	8.68
iv) Face Value per equity share	10.00	10.00

**26 EARNINGS IN FOREIGN EXCHANGE**

(Amount in ₹)

	2016-17	2015-16
FOB value of exports	39587641	2438877

**27 RELATED PARTY DISCLOSURES**

As per Accounting Standard 18, 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 Dalbir Singh	Independent Directors
Shri Avtar Singh Bajwa	
Shri Surinder Gupta	
MS Suhasini Yadav	
Shri Swatantar Kumar Dewan	Enterprises in which Key Managerial Personnel holds directorship
Sirmour Hotels (P) Ltd.	
Jasmer Foods (P) Ltd.	

## Notes on Financial Statements

For year ended 31st March, 2017

Name of Related Party	Relationship
Ruchira Packaging Products (P) Ltd.	Enterprises of Relatives of Key Managerial Personnel
Ruchira Printing & Packaging.	
Jasmer Pack Ltd.	
Jasmer Packer	
Well Pack Industries	
York Cellulose (P) Ltd.	
Smt. Parveen Garg	Relatives of Key Managerial Personnel holding office or place of profit.
Sh. Deepan Garg	
Sh. Jagdeep Singh	
Sh. Dajeet Singh	
Sh. Lucky Garg	
Smt. Ruchica G Kumar	
Sh. Atul Garg	
Ms. Radhika Garg	

## 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 delay in payments	Closing Balance
Ruchira Packaging Products (P) Ltd.	1150.74	168.51	29.10	237.26
	<i>1159.94</i>	<i>130.28</i>	<i>1.07</i>	<i>166.85</i>
Ruchira Printing & Packaging.	51.85	71.90	-	2.97
	<i>67.87</i>	<i>83.35</i>	-	-
Jasmer Pack Ltd.	2528.81	50.49	8.02	457.71
	<i>3177.38</i>	<i>107.15</i>	-	<i>178.04</i>
Jasmer Packer	885.96	7.03	0.99	1.17
	<i>525.19</i>	<i>20.39</i>	<i>7.97</i>	-
Well Pack	539.51	75.32	5.68	135.26
	<i>438.62</i>	<i>41.35</i>	<i>14.64</i>	<i>115.02</i>
Jasmer Foods Pvt Ltd.	-	26.01	-	-
	-	-	-	-

Note :Figures in italic represents previous year's amount.

## ii b) Transactions during the year with Key Managerial Personnel:

(₹ in lakhs)

	Salary and Allowances		Reimbursements	
	2016-17	2015-16	2016-17	2015-16
Shri Umesh Chander Garg	109.20	94.80	8.54	14.53
Shri Subhash Chander Garg	109.20	94.80	11.83	6.04
Shri Jatinder Singh	109.20	94.80	25.01	20.92
Shri Vipin Gupta	34.96	29.44	1.22	0.80

## Notes on Financial Statements

For year ended 31st March, 2017

- ii c) Transactions during the year with the Relatives of Key Managerial Personnel holding office or place of profit.

(₹ in lakhs)

	Salary and Allowances		Reimbursements	
	2016-17	2015-16	2016-17	2015-16
Smt. Parveen Garg	43.13	36.23	3.07	0.40
Sh. Deepan Garg	43.13	36.23	3.65	1.98
Sh. Jagdeep Singh	43.13	36.23	12.72	1.39
Sh. Dajeet Singh	43.13	36.23	0.93	1.28
Sh. Lucky Garg	43.13	36.23	-	-
Smt. Vaishali Jhaveri*	9.49	36.23	-	-
Sh. Atul Garg	43.13	36.23	-	-
Smt Ruchica G Kumar**	33.64	-	1.91	-
Ms. Radhika Garg	43.13	36.23	0.55	4.33

\*Resigned w.e.f 30th June 2016

\*\*Appointed w.e.f 01st July 2016

- ii d) Transactions during the year with Independent Directors.

(₹ in lakhs)

	Reimbursements		Sitting Fees	
	2016-17	2015-16	2016-17	2015-16
Shri Dalbir Singh	-	-	0.75	0.75
Shri Avtar Singh Bajwa	0.04	0.03	0.75	0.75
Shri Surinder Gupta	0.04	0.03	0.75	0.75
Shri Swatantar Kumar Dewan	0.04	0.03	0.75	0.75
Ms. Suhasini Yadav	-	-	0.75	0.75

## 28 SEGMENT INFORMATION

## Primary segment information:

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

## Secondary segment information:

(Amount in ₹)

	2016-17	2015-16
Segment Revenue		
India	4234056303	3706869970
Overseas	39587641	2438877
<b>TOTAL</b>	<b>4273643944</b>	<b>3709308847</b>

## Notes on Financial Statements

For year ended 31st March, 2017

## 29 CONTINGENT LIABILITIES AND COMMITMENTS

(₹ in lakhs)

	As at 31st March, 2017	As at 31st March, 2016
Contingent Liabilities		
(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	310.43
(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	261.99	444.76
Commitments		
(A) Estimated amount of contracts remains to be executed on capital account (Net of advances)	-----	-----

## 30 DISCLOSURE IN RESPECT OF SPECIFIED BANK NOTES HELD AND TRANSACTED

(₹ in lakhs)

Particulars	SBNs	Other Denomination Notes	Total
Closing Cash in hand as on 08.11.2016	-	3.86	3.86
(+) Permitted Receipts	-	25.13	25.13
(-) Permitted payments	-	25.02	25.02
(-) Amount deposited in Bank	-	-	-
Closing Cash in hands as on 30.12.2016	-	3.97	3.97

Specified bank notes is defined as bank notes of denomination of existing series of the value of five hundred rupees and one thousand rupees.

The disclosure with respect to 'Permitted Receipts', 'Permitted Payments', 'Amount Deposited in Bank' and 'Closing Cash in Hand as on 30.12.2016' is understood to be applicable in case of SBNs only.

## 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: 22nd May 2017

## For and on behalf of Board of Directors

**Jatinder Singh**

(Co-Chairman & Whole Time Director)

**Vipin Gupta**

(CFO & Whole Time Director)

**Umesh Chander Garg**

(Managing Director)

**Vishav Sethi**

(Company Secretary)

# 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/her
2. Name: \_\_\_\_\_ Email Id: \_\_\_\_\_  
Address: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/her
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 37th Annual General Meeting of the Company to be held on Thursday, 21st September 2017 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 financial statements of the Company for the year ended 31st March, 2017.
2. To declare a dividend on equity shares for the financial year 2016-17.
3. To appoint a Director in place of Mr. Umesh Chander Garg (DIN:01593400), who retires by rotation and being eligible, offers himself for re-appointment.
4. To ratify the appointment of statutory auditors of the Company and to fix their remuneration.

### Special Business:

5. To approve the remuneration of Cost Auditors for the financial year ending 31st March 2017.
6. To revise the Managerial Remuneration of Mr. Subhash Chander Garg, Whole Time Director of the Company.
7. To revise the Managerial Remuneration of Mr. Jatinder Singh, Whole Time Director of the Company.
8. To revise the Managerial Remuneration of Mr. Umesh Chander Garg, Managing Director of the Company.
9. To revise the Managerial Remuneration of Mr. Vipin Gupta, CFO & Whole Time Director of the Company.
10. To revise the Remuneration payable to related parties holding office or place of profit.
11. To approve/ratify the transaction entered with related party pursuant to omnibus approval granted by Audit Committee.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2017.

Signature of Shareholder \_\_\_\_\_ Signature of Proxy holder \_\_\_\_\_

Affix  
Revenue  
Stamp of ₹1/-

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.



## 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)

37th Annual General Meeting on Thursday, 21st September 2017 at 11.15 AM.

DP ID No .....

Folio No./Client ID .....

No. of Shares .....

Name of Shareholder/Proxy holder/Representative: .....

I/We hereby record my presence at the Annual General Meeting of the Company being held at Hotel Black Mango, Nahan Road, Kala-Amb, Distt. Sirmour (H.P.) 173030 on Thursday, 21st September 2017 at 11.15 AM.

(Signature of the Member/Proxy)

**Note:**

Member/Proxy holder should bring his/her copy of the Annual Report for reference at the meeting



**Cautionary statement**

The management discussion and analysis report contains forward-looking statements, which may be identified by the use of words in that direction or connoting the same. All statements that address expectation or projections about the future, including, but not limited to statements about the Company's strategy for growth, product development, market position, expenditures and financial results are forward-looking statements. The Company's actual results, performance or achievement could thus differ materially from those projected in any such forward-looking statements. The Company assumes no responsibility to publicly demand, modify or revise any forward looking statements, on the basis of any subsequent development, information or events.



Committed to the Earth

*If undelivered please return to*

**Ruchira Papers Limited**

Tirlokpur Road, Kala Amb, Himachal Pradesh-173030