

VISHAL PAPERTECH (INDIA) LIMITED

Reg. Office: Vill. Mubarikpur, Teh. Derabassi Distt. Patiala, Punjab

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 15^H ANNUAL GENERAL MEETING OF THE SHAREHOLDERS OF VISHAL PAPERTECH INDIA LIMITED WILL BE HELD AT THE REG. OFFICE OF THE COMPANY AT REGISTERED OFFICE VILL. MUBARIKPUR, TEH. DERABASSI DISTT. PATIALA, PUNJAB ON 30TH SEPTEMBER, 2010 AT 10.00 A.M TO TRANSACT THE FOLLOWING BUSINESS:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited accounts and Balance Sheet as at 31st March 2010 and Profit & Loss Account for the period ended on that date together with the reports of the Directors and Auditors thereon.
2. To appoint Director in place of Mr. Harinder Goel who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Director in place of Mr. Ankit Gupta who retires by rotation and being eligible offers himself for reappointment
4. To appoint Auditors and to fix their remuneration. In this connection to consider and if thought fit to pass with or without modification the following resolution as Ordinary Resolution :

“RESOLVED THAT the retiring auditors of the company, M/S Datta Singla & Co., Chartered Accountants, Chandigarh from whom a certificate pursuant to Section 224 of the Companies Act, 1956 has been received, be and are hereby reappointed as Auditors of the Company to hold office until the conclusion of the next Annual General Meeting of the Company at a fee to be decided by the Board.

SPECIAL BUSINESS

5. TO CONSIDER AND IF THOUGHT FIT TO PASS WITH OR WITHOUT MODIFICATION FOLLOWING RESOLUTION AS ORDINARY RESOLUTION:

“RESOLVED THAT Mr. S.P. Singh, who was appointed as an additional director of the Company by the Board of Directors and who ceases to hold office under section 260 of the Companies Act, 1956, and in respect of whom the Company has received a notice in writing proposing his candidature for the office of director, be and is hereby appointed as a director of the Company.”

By Order of the Board of Directors
For Vishal Papertech (India) Limited

Sd/-
Mahesh Gupta
(Managing Director)

Place: Chandigarh
Date : 20.07.2010

NOTE :

1. A Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself and such proxy need not be a member of the Company.
2. The instrument appointing proxy must be received at the Company's Registered Office not less than 48 hours before the meeting.
3. The Register of Members and Transfer Books of the Company will remain closed from 27th September, 2010 to 30th September, 2010 (both days inclusive)
4. Members are requested to bring their copy of Annual Report to the meeting. Members desirous of obtaining any information concerning the accounts and operations of the company are requested to address their question in writing to the Company at least 7 days before the date of the Meeting so that information required may be made available at meeting.
5. Members /Proxy holders are requested to produce the Attendance Slip duly completed and signed, for admission to the Meeting Hall.
6. Mr. Harinder Goel who retires by rotation is an Independent director. He is by profession a Chartered Accountant, having rich experience in accounting and Taxation.
7. Mr. Ankit Gupta, who retires by rotation, is promoter Director. By profession Mr. Ankit Gupta is a technocrat in paper industry and looking after commercial and technical operations of the company.

EXPLANATORY STATEMENT PRUSUNT TO THE PROVISION OF SECTION 173 (2) OF THE COMPANIES ACT 1956

ITEM 5.

The Board of Directors of the Company co-opted Sh. S P Singh as an Additional Director, who is technocrat by Profession on the Board of the Company. In terms of provisions of section 260 of the Companies Act, 1956, he holds office up to the date of AGM. The Board of Directors of the Company recommends his appointment as a regular director.

VISHAL PAPERTECH (INDIA) LIMITED

Registered Office: Vill. Mubarikpur, Teh. Derabassi Distt. Patiala, Punjab

(In case of Member is unable to be present in person at the Meeting this form may be used)

PROXY FORM

I/We _____ of _____ being a member/members of Vishal Papertech (India) Ltd. hereby appoint Mr./Mrs./Miss _____ of _____ or failing him/her, Mr./Mrs./Miss _____ of _____ as my/our proxy to attend and to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held at registered office on 30/09/2010 and at any adjournment thereof.

Signed this _____ day of _____ 2010.
Folio. No _____

Affix Rupee
one
Revenue
Stamp

Signature.....

Notes:

1. The proxy must be deposited at the Regd. Office of the Company at Vill. Mubarikpur, Teh. Derabassi Distt. Patiala, Punjab atleast 48 hours before the time for holding the Meeting.
2. A proxy need not to be a member of the Company.

DIRECTORS REPORT

Your Directors have great pleasure in presenting the 15th Annual Report together with Audited Accounts of the company for the Financial Year ended on 31st March 2010.

BUSINESS OPERATIONS

(In lacs)

Particulars	2009-10	2008-09
Sales & Other Income	3544.82	2418.32
Profit Before depreciation & Intt.	349.66	268.24
Interest	120.56	93.03
Depreciation	76.11	82.02
Net (Loss)/Profit	152.99	93.19

The company, maintaining its growth trend, reported an increase of 47% in income and 65% in profit respectively.

DEPOSITS

The company has not accepted any Public deposit within the meaning of section 58 A of the Companies Act, 1956 and rules made thereunder for the period under review.

DIRECTORS

Mr. Harinder Goel and Mr. Ankit Gupta, Directors of the company retire by rotation and being eligible offer themselves for re-appointment.

The company during the year appointed Mr. Satya Pal Singh as an Additional director. In terms of provisions of section 260 of the Companies Act, 1956 he holds office up to the date of AGM. The company has received notices from the members u/s 257 of the Act proposing his candidature for the appointment as a regular director.

AUDITORS

M/s Datta Singla & Co., Chartered Accountants hold office until the conclusion of the ensuing Annual General Meeting and are recommended for reappointment. The Company has received certificate from Auditors to the effect that their reappointment, if made, would be within the prescribed limits under section 224(1) of the Companies Act, 1956.

AUDITORS REPORT

The observations in the Auditors report are dealt with in notes to accounts, and being self-explanatory, need no further clarification.

PARTICULARS OF EMPLOYEES

None of the employee was in receipt of the remuneration over and above the limits prescribed u/s 217(2A) of the Companies Act, 1956 read with Companies (Particular of Employees) Rules, 1975 as amended.

CONSERVATION OF ENERGY, TECHNOLOGY OBSERVATION AND FOREIGN EXCHANGE EARNINGS & OUTGO

The information required under section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of particulars in the report of Board of Directors) Rules,1988 with respect to the conservation of energy etc. is attached

DIRECTORS RESPONSIBILITY STATEMENT

As required under section 217 (2AA) of the Companies Act, 1956 the Directors state that:

1. in preparation of annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures.
2. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period.
3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities.
4. the Directors have prepared the annual accounts going concern basis.

CORPORATE GOVERNANCE

Listing of the Company is currently suspended by the stock exchanges where the shares of the Company were listed.

ACKNOWLEDGEMENT

The Directors, place on record their appreciation for the support and assistance received from PSIDC its customers ,supplier all concerned during the period under review.

The Directors appreciate the dedicated and sincere services of the employees of the company which have greatly contributed to the results.

Date :20.07.2010
Place:Chandigarh

For and on behalf of the Board
Vishal Papertech [India] Limited.

Sd/- Sd/-
Mahesh Gupta Ankit Gupta
(Mg.Director) (Director)

ANNEXURE – I TO THE DIRECTORS' REPORT

Statement containing particulars pursuant to the Companies (Disclosure of Particulars in the report of the Board of Directors) Rule

VISHAL PAPERTECH (INDIA) LIMITED, MUBARIKPUR
Report of the Directors [Contd....]

ANNEXURE – A

INFORMATION AS PER SECTION 217(1)(e) READ WITH COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED MARCH 31, 2010

1 CONSERVATION OF ENERGY:

a. Energy Conservation measures taken:

The energy conservation measures are an ongoing process and the endeavor of the management has always been to constantly improve the energy conservation.

b. Additional investments and proposals, if any, being implemented for reduction of consumption of energy:

NIL

c. Impact of measures taken at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods:

NIL

d. Total energy consumption and energy consumption per unit of production as per Form A of the Annexure to the rules in respect of Industries specified in the Schedule thereto:

A.	Power and Fuel Consumption	Current Year	Previous Year
1.	Electricity		
a.	Purchased		
	Purchased Units (In lacs KW)		89.11
	Total Amount (Rs. In lacs)		413.189
	Rate per unit (Rs.)		4.63
b.	Own Generation		
	Through diesel generator		
	Generated units (In lacs KW)	nil	
	Total Amount (Rs. In lacs)		
	Cost per unit (Rs.)		
	Units per ltr. of diesel oil (Nos.)		

Place :Chandigarh
Date : 20/07/2010

Sd/-
Mahesh Gupta
(Mg. Director)

Sd/-
Ankit Gupta
(Director)

To
The Members
VISHAL PAPERTECH (INDIA) LIMITED.
Chandigarh.

We have audited the attached Balance sheet of **VISHAL PAPERTECH (INDIA) LIMITED** as at 31st March, 2010 and also the Profit and Loss Account and cash flow statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion

1. As required by the Companies (Auditors' Report) Order, 2003 issued by the Ministry of Corporate Affairs in terms of Section 227 (4A) of the Companies Act, 1956 we enclose in the annexure A statement on the matters specified in paragraph 4 & 5 of said order:
2. Further to our comments in the annexure referred to in paragraph (1) above, we report that:-
 - a) We have obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit:
 - b) In our opinion, proper books of account as required by Law have been kept by the Company, so far as appears from our examination of the books.
 - c) The Balance sheet and Profit and Loss Account dealt with by this report are in agreement with the books of accounts.
 - a) In our opinion, the Profit & Loss account and Balance Sheet Comply with the Accounting Standards referred to in sub section (3 C) of Section 211 of the Companies Act, 1956 subject to notes on accounts.
 - b) As per information and explanation given to us, none of the directors of the company is disqualified from being appointed as a Director in terms of clause (g) of subsection (1) of section 274 of the Companies Act, 1956.

- c) In our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view
- i) In the case of the Balance Sheet of the State of affairs of the company for the year ended on 31st March, 2010 and
 - ii) In the case of the Profit and Loss account, of the Profit of the company for the year ended on that date.
 - iii) In case of cash flow statement, of the cash flows for the year ended on that date.

PLACE : CHANDIGARH
DATED : 20.07.2010

**FOR DATTA SINGLA & CO.
CHARTERED ACCOUNTANTS**

**YOGESH MONGA
PARTNER
M. No. 099813**

ANNEXURE A REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF THE AUDITORS TO THE MEMBERS OF VISHAL PAPERTECH (INDIA) LIMITED ON THE ACCOUNTS FOR THE YEAR ENDED 31st MARCH, 2010

- 1 (a) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) As explained to us, the fixed assets have been physically verified by the Management at the reasonable intervals during the period under review and no material discrepancies were noticed in the said verification.
- (c) The substantial part of fixed assets has not been disposed off during the year.

- 2 (a) Physical verification of stocks of finished goods, stores, spares and raw materials was conducted by the management during the year and in our opinion, the frequency of verification was reasonable.
- (b) In our opinion, the procedures of physical verification of inventory followed by the management are adequate in relation to the size of the company and the nature of its business.
- (c) On the basis of our examination of the inventory records, in our opinion, the company is maintaining proper records of inventory. As explained to us, the discrepancies noticed on physical verification between the physical stocks and the books records were not material and have been properly dealt in the books of accounts.

- 3 (a) In our opinion and according to the information and explanations given to us, the Company has granted unsecured loans to the directors, covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year in respect of such loans granted was Rs. 40.00 lacs. And the year end balance of such loans was Nil.
- (b) In our opinion and according to the information and explanations given to us, the Company has accepted unsecured loans from its Director, covered in the register maintained under Section 301 of the Act. The maximum amount involved during the year in respect of such loans taken was Rs 730.09 lacs. And the year end balance of such loans was also Rs. 422.02 lacs.

- (c) According to the information and explanations given to us, the rate of interest and other terms & conditions in relation to the loan taken by the Company are not, prima facie prejudicial to the interest of the Company.
 - (d) In respect of the aforesaid loans, the terms of repayment have not been stipulated and hence we are unable to comment on whether re-payment of principal amounts is as stipulated.
- 4 In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the company and the nature of its business with regard to the purchase of stores, raw materials including the plant & machinery, vehicles, equipment and other assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- 5 (a) Based on audit procedures applied by us and according to the information and explanation provided by the Management, we are of the opinion that the transactions that need to be entered in the register under section 301 have been so entered.
- (b) In respect of transactions with parties with whom transactions exceeding value of Rupees Five Lakhs have been entered into during the financial year are reasonable. For price justification, reliance is placed on the information and explanation given by the management.
6. In our opinion and according to the information and explanations given to us, the company has not invited any deposits from public attracting the provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975.
- 7 In our opinion and according to the information and explanations given to us, the company has an internal audit system commensurate with the size and nature of its business.
- 8 We have broadly reviewed books of accounts maintained by the Company, pursuant to the rules made by the Central Government for the maintenance of cost records U/s 209(1) (d) of the Companies Act, 1956 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

- 9 (a) The company is generally regular in Depositing Employee's State Insurance dues and dues under the Provident Fund & Miscellaneous Provision Act, 1952, except in some cases where there is some delay in deposition.
- (b) According to the information and explanation given to us, there are no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales Tax, Customs duty and excise duty, which are outstanding on the 31st March, 2010 for a period of more than six months from the date they became payable.
- 10 The Company has not incurred cash losses during the current financial year and the immediately preceding financial year. However its accumulated losses at the end of financial year 2009-10 are Rs.198.66 Lacs.
- 11 According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank or debenture holders as at the balance sheet date.
- 12 The company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 The company is not a chit fund or a nidhi or a mutual benefit fund/society. Therefore the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
- 14 In our opinion and according to the information and explanations given to us the company is not dealing or trading in shares, securities, debentures and other investments. Accordingly the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order 2003 are not applicable to the company.
- 15 In our opinion and according to the information and explanations given to us, the company has not given any guarantee for loans taken by others from banks or financial institutions during the year.
- 16 No Term Loan liability was availed by the company during the last financial year; hence, this clause is not applicable.
- 17 According to the information and explanation given to us and based on overall examination of the balance sheet and cash flow statement of the Company, we report that no funds raised on short-term basis have been used for long term investment other than temporary deployment pending application.
- 18 During the year the company has not made any preferential allotment of shares to parties, firms and companies covered in the register maintained under section 301 of the Companies Act, 1956.

- 19 The company has not issued any debentures during the year and there are no debentures outstanding as at the year end.
- 20 The company has not raised any money by public issues during the year.
- 21 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 fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the management.

PLACE : CHANDIGARH
DATED : 20.07.2010

**FOR DATTA SINGLA & CO.
CHARTERED ACCOUNTANTS**

**YOGESH MONGA
PARTNER
M. No. 099813**

VISHAL PAPERTECH (INDIA) LTD.

BALANCE SHEET AS AT 31st MARCH, 2010

PARTICULARS	SCHEDULE	CURRENT YEAR		PREVIOUS YEAR	
		AMOUNT	AMOUNT	AMOUNT	AMOUNT
I. SOURCES OF FUNDS:					
1. SHAREHOLDERS' FUNDS					
Share Capital	I	69,827,500.00		69,827,500.00	
Reserves & Surplus		-		-	
			69,827,500.00		69,827,500.00
2. LOAN FUNDS					
Secured Loans	II	36,910,228.67		27,768,400.98	
Unsecured Loans	III	97,857,635.59		102,686,264.52	
			134,767,864.26		130,454,665.50
			204,595,364.26		200,282,165.50
II. APPLICATION OF FUNDS:					
1. FIXED ASSETS					
Gross Block	IV	247,652,851.68		224,156,242.45	
Less: Depreciation		149,509,193.56		142,234,378.56	
Net Block			98,143,658.12		81,921,863.89
Capital Work In Progress			-		-
2. INVESTMENTS					
			-		-
3. CURRENT ASSETS, LOANS & ADVANCES					
Closing Stock	V	45,806,140.95		53,613,333.97	
Sundry Debtors	VI	78,416,539.97		64,228,200.97	
Cash & Bank Balances	VII	2,125,413.04		15,025,535.94	
Loans & Advances	VIII	7,829,312.85		11,859,988.62	
Other Current Assets	IX	369,350.00		-	

		134,546,756.81	144,727,059.50
LESS:CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	X	58,403,865.41	72,892,892.95
Provisions	XI	<u>2,588,000.00</u>	<u>1,026,500.00</u>
NET CURRENT ASSETS		73,554,891.40	70,807,666.55
4. MISCELLANEOUS EXPENDITURE			
(To the extent not written off/adjusted)			
Preliminary Expenses		-	-
Deffered Tax Assets (Net)	XII	13,010,908.00	18,530,386.00
Profit & Loss Account	XIII	19,885,906.74	29,022,249.06
		<u>204,595,364.26</u>	<u>200,282,165.50</u>
NOTES ON ACCOUNTS	XXII		
FOR & ON BEHALF OF BOARD			
FOR VISHAL PAPERTECH (INDIA) LIMITED			

MANAGING DIRECTOR DIRECTOR

As per our report of even date
For DATTA SINGLA & CO.
CHARTERED ACCOUNTANTS
Firm Regn. No. 006185N

PLACE : CHANDIGARH
DATED : 20.07.2010

Yogesh Monga
Partner
Membership No. 099813

VISHAL PAPERTECH (INDIA) LTD.

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31st MARCH, 2010

PARTICULARS	SCHEDULE	AMOUNT AS AT 31.03.2010	AMOUNT AS AT 31.03.2009
<u>INCOME</u>			
Sales		364,487,156.00	250,623,834.00
Less: Escise Duty		<u>12,278,606.00</u>	<u>11,433,061.00</u>
		352,208,550.00	239,190,773.00
Other Income	XIV	2,273,587.93	2,641,110.00
Increase(Decrease) In Finished Goods & WIP		(6,475,902.95)	4,755,235.50
		<u>348,006,234.98</u>	<u>246,587,118.50</u>
<u>EXPENDITURE</u>			
Raw Material Consumed	XV	190,923,024.24	128,998,362.68
Personnel Expenses	XVI	15,974,703.00	14,662,319.58
Manufacturing Expenses	XVII	81,138,451.12	55,124,084.71
Repair & Maintenance	XVIII	1,755,220.00	1,528,546.33
Administrative Expenses	XIX	4,557,609.01	5,343,653.25
Financial Expenses	XX	12,413,217.29	9,650,857.00
Selling Expenses	XXI	18,404,312.00	13,758,181.01
Depreciation	IV	7,610,675.00	8,201,776.00
		<u>332,777,211.66</u>	<u>237,267,780.56</u>
BALANCE PROFIT(LOSS)		15,229,023.32	9,319,337.94
Expenses/(Income) Related to Previous Year		55,236.00	-

Less: Adjustments for Taxes

Income Tax	2,588,000.00	960,000.00
Deffered Tax	5,519,478.00	3,257,738.00
Fringe Benefit Tax	-	100,000.00
Income Tax Related to Previous Year	213,967.00	126,087.00
Mat Credit Available	<u>(2,284,000.00)</u>	<u>(932,000.00)</u>
	6,037,445.00	3,511,825.00
Profit/ Loss Account Balance	9,136,342.32	5,807,512.94
Basic Earning Per Share	1.20	0.66
Diluted Earning Per Share	1.20	0.66
Nominal Value Per Share	10.00	10.00

**FOR & ON BEHALF OF BOARD
FOR VISHAL PAPERTECH (INDIA) LIMITED**

As per our report of even date
For DATTA SINGLA & CO.
CHARTERED ACCOUNTANTS
Firm Regn. No. 006185N

MANAGING DIRECTOR DIRECTOR

**PLACE : CHANDIGARH
DATED : 20.07.2010**

Yogesh Monga
Partner
Membership No. 099813

SCHEDULE-I**VISHAL PAPERTECH (INDIA) LTD.****SHARE CAPITAL**

PARTICULARS	AMOUNT AS AT 31.03.2010	AMOUNT AS AT 31.03.2009
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AUTHORISED SHARE CAPITAL

85,00,000(85,00,000) Equity Shares Of Rs.10/- Each.	85,000,000.00	85,000,000.00
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ISSUED, SUBSCRIBED & PAID UP CAPITAL

78,00,000 (78,00,000) Equity Shares Of Rs. 10/- Each Fully Paid Up	78,000,000.00	78,000,000.00
Less:Allotment Money In Arrears	8,172,500.00	8,172,500.00
	69,827,500.00	69,827,500.00

SCHEDULE-II**VISHAL PAPERTECH (INDIA) LTD.****SECURED LOANS**

PARTICULARS	AMOUNT AS AT 31.03.2010	AMOUNT AS AT 31.03.2009
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WORKING CAPITAL LIMITS

State Bank of Patiala	-	27,768,400.98
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VISHAL PAPERTECH (INDIA) LTD.

DETAILS OF FIXED ASSETS

ARTICULARS	GROSS BLOCK				DEPRECIATION			
	AS AT 01.04.2009	ADDITIONS DURING THE PERIOD	SALES/ * ADJUSTMENT	TOTAL AS AT AT 31.03.2010	UP TO AT 31.03.2009	DURING THE YEAR	ADJUSTMENTS**	UP TO AT 31.03.2010
Land & Land Devp.	7,707,244.10	-	-	7,707,244.10	-	-	-	-
Building	29,579,977.53	2,503,460.00	-	32,083,437.53	10,531,907.52	1,071,587.00	-	11,603,494.52
Plant & Machinery	149,048,766.98	19,130,888.23	-	168,179,655.21	102,271,984.69	5,325,936.00	-	107,597,920.69
Electrical Install.	19,503,428.58	92,472.00	-	19,595,900.58	18,283,760.94	227,634.00	-	18,511,394.94
Boiler	5,678,018.65	-	-	5,678,018.65	5,678,017.65	-	-	5,678,017.65
Weighing Machine	523,119.00	-	-	523,119.00	523,118.00	-	-	523,118.00
Lab. Equipments	303,201.31	112,000.00	-	415,201.31	298,072.34	12,172.00	-	310,244.34
Office Equipments	864,208.05	37,707.00	-	901,915.05	492,311.97	70,081.00	-	562,392.97
ehicles	7,101,836.20	2,503,922.00	883,840.00	8,721,918.20	3,325,843.14	828,582.00	335,860.00	3,818,565.14
ools & Dies	30,147.65	-	-	30,147.65	30,146.65	-	-	30,146.65
omputers	682,933.00	-	-	682,933.00	456,267.94	35,389.00	-	491,656.94
urniture & Fixture	620,761.40	-	-	620,761.40	342,947.72	39,294.00	-	382,241.72
ecurity Deposits	2,512,600.00	-	-	2,512,600.00	-	-	-	-
	224,156,242.45	24,380,449.23	883,840.00	247,652,851.68	142,234,378.56	7,610,675.00	335,860.00	149,509,193.56
PREVIOUS YEAR	193,784,403.78	30,371,838.67	-	224,156,242.45	134,032,602.56	8,201,776.00	-	142,234,378.56

SCHEDULE-V**VISHAL PAPERTECH (INDIA) LTD.****CLOSING STOCKS**

PARTICULARS	AMOUNT AS AT 31.03.2010	AMOUNT AS AT 31.03.2009
Raw Material	5,763,817.50	3,990,931.57
Finished Goods	4,751,649.45	5,909,232.40
Misc. Stocks (Included Work In Process)	35,290,674.00	43,713,170.00
	<hr/>	<hr/>
	45,806,140.95	53,613,333.97

SCHEDULE-VI**SUNDRY DEBTORS**

PARTICULARS	AMOUNT AS AT 31.03.2010	AMOUNT AS AT 31.03.2009
(Unsecured But Considered Good) Outstanding For Period		
Exceeding Six Months	8,817,723.00	7,750,153.00
Others	69,598,816.97	56,478,047.97
	<hr/>	<hr/>
	78,416,539.97	64,228,200.97

SCHEDULE-VII

VISHAL PAPERTECH (INDIA) LTD.

CASH & BANK BALANCES

PARTICULARS	AMOUNT AS AT 31.03.2010	AMOUNT AS AT 31.03.2009
Cash In Hand	140,008.67	4,557.12
<u>Balances With Scheduled Banks</u>		
Current Accounts	1,985,404.37	7,402,858.82
FDR's With Banks	-	7,618,120.00
	2,125,413.04	15,025,535.94

SCHEDULE-VIII

LOANS & ADVANCES

PARTICULARS	AMOUNT AS AT 31.03.2010	AMOUNT AS AT 31.03.2009
Advances To Staff Workers	784,081.72	254,141.40
Advances Recoverable In Cash or In Kind	5,152,401.00	7,200,854.00
Advance to Suppliers	1,383,049.13	4,000,888.22
Excise Duty Balances	509,781.00	404,105.00
	7,829,312.85	11,859,988.62

SCHEDULE-IX**OTHER CURRENT ASSETS**

PARTICULARS	AMOUNT AS AT 31.03.2010	AMOUNT AS AT 31.03.2009
Bank Charges Recoverable	102,030.00	-
Penalty of S.Tax Deposited in Protest A/c	73,320.00	-
Insurance Claim Receivable	194,000.00	-
	<hr/>	
	369,350.00	-
	<hr/>	

SCHEDULE-X**VISHAL PAPERTECH (INDIA) LTD.****CURRENT LIABILITIES**

PARTICULARS	AMOUNT AS AT 31.03.2010	AMOUNT AS AT 31.03.2009
Sundry Creditors	34,956,725.05	57,154,560.89
Creditors-Others	7,731,309.50	7,655,069.06
Other Liabilities	15,715,830.86	8,083,263.00
	<hr/>	<hr/>
	58,403,865.41	72,892,892.95

SCHEDULE-XI**PROVISIONS**

PARTICULARS	AMOUNT AS AT 31.03.2010	AMOUNT AS AT 31.03.2009
Income Tax Payable	2,588,000.00	926,500.00
Fringe Benefit Tax Payable	-	100,000.00
	<hr/>	<hr/>
	2,588,000.00	1,026,500.00

SCHEDULE - XII**DEFERRED TAX ASSETS**

PARTICULARS	AMOUNT AS AT 31.03.2010	AMOUNT AS AT 31.03.2009
Deferred Tax Liabilities Arising On Account Of		
Depreciation	7,607,948.35	5,577,511.12
TOTAL	7,607,948.35	5,577,511.12
Deferred Tax Assets Arising On Account Of :		
Unabsorbed Depreciation/Business Loss For Tax Purposes	45,886,582.25	60,094,680.06
TOTAL	45,886,582.25	60,094,680.06
NET DEFERRED TAX ASSETS (B-A)	38,278,633.90	54,517,168.94
TAX IMPACT	13,010,908.00	18,530,386.00

SCHEDULE - XIII

VISHAL PAPERTECH (INDIA) LTD.

PROFIT & LOSS ACCOUNT

PARTICULARS	AMOUNT AS AT 31.03.2010	AMOUNT AS AT 31.03.2009
Opening Balance	29,022,249.06	34,829,762.00
Profit Transferred during the year	9,136,342.32	5,807,512.94
Closing Balance	19,885,906.74	29,022,249.06

SCHEDULE - XIV**OTHER INCOME**

PARTICULARS	YEAR ENDED AT 31.03.2010	YEAR ENDED AT 31.03.2009
Misc. Income	1,992,963.93	1,425,906.00
Interest Income	280,624.00	1,215,204.00
	<hr/>	<hr/>
	<u>2,273,587.93</u>	<u>2,641,110.00</u>

SCHEDULE-XV**VISHAL PAPERTECH (INDIA) LTD.****RAW MATERIAL CONSUMED**

PARTICULARS	YEAR ENDED AT 31.03.2010	YEAR ENDED AT 31.03.2009
Opening Stock	14,936,141.57	12,633,388.21
Add:Purchases		
Waste Paper	141,976,221.60	90,050,271.40
Chemicals	<u>49,673,916.57</u>	<u>41,250,844.64</u>
	191,650,138.17	131,301,116.04
Less:Closing Stock		
Waste Paper	5,763,817.50	3,990,931.57
Chemicals	<u>9,899,438.00</u>	<u>10,945,210.00</u>
	15,663,255.50	14,936,141.57

190,923,024.24

128,998,362.68

SCHEDULE-XVI

PERSONNEL EXPENSES

PARTICULARS	YEAR ENDED AT 31.03.2010	YEAR ENDED AT 31.03.2009
Salaries ,Wages & Allowances	15,974,703.00	14,662,319.58
	<u>15,974,703.00</u>	<u>14,662,319.58</u>

SCHEDULE-XVII**VISHAL PAPERTECH (INDIA) LTD.****MANUFACTURING EXPENSES**

PARTICULARS	YEAR ENDED AT 31.03.2010	YEAR ENDED AT 31.03.2009
Power, Fuel, Oil & Lubricants	71,570,655.26	53,031,238.00
Stores & Spares	9,558,916.86	2,047,881.71
Testing Charges	8,879.00	44,965.00
	<hr/>	<hr/>
	81,138,451.12	55,124,084.71

SCHEDULE-XVIII**REPAIR & MAINTENANCE EXPENSES**

PARTICULARS	YEAR ENDED AT 31.03.2010	YEAR ENDED AT 31.03.2009
<u>Repair & Maintenance</u>		
-Plant & Machinery	1,390,106.00	991,152.00
-Electricals	198,304.00	266,410.33
-Building	166,810.00	270,984.00
	<hr/>	<hr/>
	1,755,220.00	1,528,546.33

SCHEDULE-XIX**VISHAL PAPERTECH (INDIA) LTD.**

ADMINISTRATIVE EXPENSES

PARTICULARS	YEAR ENDED AT 31.03.2010	YEAR ENDED AT 31.03.2009
Audit Fees	82,725.00	82,725.00
Computer Exp.	121,019.00	38,754.00
Consultancy Charges	87,945.00	155,844.00
Donation	9,555.00	146,802.00
General Expenses	203,116.01	429,241.27
Office Expenses	101,731.00	108,120.00
Insurance	421,599.00	306,551.00
Membership & Subs.	45,497.00	56,461.00
Postage & Telegram	153,383.00	114,867.00
Telephone Expenses	918,671.00	886,300.98
Printing & Stationary	191,441.00	202,736.00
Rates, Fees & Taxes	118,732.00	283,480.00
Service Tax	72,225.00	174,972.00
Vehicle Running & Maint.	514,448.00	726,097.00
Interest & Penalties paid	44,858.00	177,366.00
Foreign Exchange Fluctuation Loss on Sale/Disposal of Fixed Assets	- 211,980.00	10,684.00 -
<u>Travelling & Conveyance</u>		
Directors	471,414.00	932,080.00
Others	787,270.00	510,572.00
	4,557,609.01	5,343,653.25

SCHEDULE-XX**VISHAL PAPERTECH (INDIA) LTD.****FINANCIAL EXPENSES**

PARTICULARS	YEAR ENDED AT 31.03.2010	YEAR ENDED AT 31.03.2009
Interest Paid	12,056,259.64	9,137,199.75
Bank Charges	246,311.53	347,449.90
Interest on Car Loan	110,646.12	166,207.35
	<hr/>	<hr/>
	12,413,217.29	9,650,857.00

SCHEDULE-XXI**SELLING EXPENSES**

PARTICULARS	YEAR ENDED AT 31.03.2010	YEAR ENDED AT 31.03.2009
Packing Material	7,445,897.00	4,055,588.35
Freight & Cartage (Outward)	8,989,073.00	6,079,544.00
Advertisement & Publicity	566,194.00	206,427.00
Bad Debts	-	3,132,434.00
Discount Allowed	1,403,148.00	284,187.66
	<hr/>	<hr/>
	18,404,312.00	13,758,181.01

VISHAL PAPERTECH (INDIA) LTD.

Cash Flow Statement for the year ended 31 March 2010

	Year ended 31 March 2010 Amount	Year ended 31 March 2009 Amount
A		
. Cash flow from operating activities:		
Profit for the year before tax and prior period items	15,229,023	9,319,338
Adjustments for		
:		
Depreciation	7,610,675	8,201,776
Misc. Expenditure W/Off	-	-
Loss on sale of fixed assets	211,980	-
Interest expense	12,413,217	9,650,857
Interest income	<u>(280,624)</u>	<u>(1,215,204)</u>
Operating profit before prior period items and working capital changes	35,184,272	25,956,767
Adjustment for prior period income/(expense)	<u>(269,203)</u>	<u>(126,087)</u>
Operating profit before working capital changes	<u>34,915,069</u>	<u>25,830,680</u>
Adjustments for:		
Trade and other receivables	(14,188,339)	(28,493,407)
Inventories	7,807,193	(4,617,269)
Loans and advances	3,661,326	(8,098,012)
Trade and other payables	<u>(13,231,528)</u>	<u>27,563,642</u>

Cash generated from operations	<u>18,963,721</u>	<u>12,185,634</u>
---------------------------------------	--------------------------	--------------------------

Income tax paid	-	(100,000)
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Net cash from operating activities	<u>18,963,721</u>	<u>12,085,634</u>
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B

. Cash flow from investing activities:

Purchase of fixed assets/ capital work-in-progress	(24,380,449)	(30,371,839)
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Interest received	280,624	1,215,204
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Sale of Fixed Assets	<u>336,000</u>	-
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Net cash (used)/Generated in investing activities	<u>(23,763,825)</u>	<u>(29,156,635)</u>
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C

. Cash flow from financing activities:

Proceeds from long term borrowings	-	16,835,010
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Repayment of long term borrowings	(4,828,629)	-
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Proceeds/(repayment) of short term borrowings	9,141,828	14,548,232
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Interest paid	<u>(12,413,217)</u>	<u>(9,650,857)</u>
---------------	---------------------	--------------------

Net cash (used)/generated in financing activities	<u>(8,100,019)</u>	<u>21,732,385</u>
--	---------------------------	--------------------------

Net increase in cash and cash equivalents (A)+(B)+(C)	(12,900,123)	4,661,384
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Opening cash and cash equivalents	<u>15,025,536</u>	<u>10,364,152</u>
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Closing cash and cash equivalents	<u>2,125,413</u>	<u>15,025,536</u>
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	-	-
	12,900,122.	4,661,384.
	98	10

FOR VISHAL PAPERTECH (INDIA) LIMITED

AUDITORS' REPORT

"As Per our Report of

**Managing
Director**

Director

even date attached"
**For Datta Singla & Co.
CHARTERED
ACCOUNTANTS**

Place: Chandigarh

Date: 20.07.2010

Partner
Yogesh
Monga
M.No.-
099813

VISHAL PAPERTECH (INDIA) LIMITED

NOTES FORMING PART OF ACCOUNTS:-

1. SIGNIFICANT ACCOUNTING POLICIES :

A. Basis for preparation of financial statements

- i. The financial statements of Vishal Papertech Limited (“ the Company ”) have been prepared and presented to comply with the historical cost conventions in accordance with the Indian Generally Accepted Accounting Principles (GAAP), mandatory Accounting Standards referred to in the Companies (Accounting standards) Rule 2006 issued by the Central Government in exercise of the power conferred under sub-section (1) (a) of Section 642 read with sub section (3C) of Section 211 & sub-section (1) of Section 210 A to the extent applicable and the provisions of the Companies Act, 1956 and on the basis of going concern.
- ii. All the Incomes & Expenditures are recognized on accrual basis.
- iii. Previous year figures have been re-grouped and re-arranged wherever considered necessary

B. Fixed Assets

- i. Fixed Assets have been stated at cost net of Cenvat/Value Added Tax availed, but inclusive of attributable costs of bringing the asset to their working condition for their intended use less depreciation and impairment loss, if any.
- ii. Depreciation on fixed assets is provided on straight-line method at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.

C. Inventories

- a. Raw materials, Stores and Spares and Packing material
Lower of Cost and Net Realizable value. Cost of inventory comprises all cost of purchase and other cost incurred in bringing the inventories to their present location and condition.
- b. Finished Goods and work in process
Lower of cost and net realizable value. Cost includes direct material, labour and proportion of manufacturing overheads. Cost of finished goods includes excise duty.

D. Foreign Exchange Transactions

a. Initial Recognition

Transactions denominated in foreign currencies are recorded at the exchange rates prevailing on the date of the transaction.

b. Conversion

Monetary assets and liabilities denominated in foreign currencies, as at the balance sheet date, not covered by forward exchange contracts, are translated at year end rates.

c. Exchange Differences

Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in the previous financial statements, are recognized as income or expense in the year in which they arise.

2. Estimated amount of contracts remaining to be executed in capital account and not provided for is Nil.(Previous Year Nil)

3. In the opinion of the Directors of the company the current assets, loans and advances are approx. of the value as stated if realized in the ordinary course of business and are subject to confirmation.

4. Particulars of payments made to auditors for

i.	Audit Fees	Rs.60,000.00
ii	Tax Audit Fees	Rs 15,000.00
iii.	Service Tax	Rs. 7,725.00

5. Contingent Liabilities

a) Claims against the company not acknowledged as debts -	Nil
b) Called liabilities on shares partly paid	- Nil
c) Other money for which the company is Contingently liable	- Nil
d) Unpaid foreign letters of credit amounting to	- Nil

6. Traveling & Conveyance Rs 12.59 lacs (Previous Year Rs. 14.43 lacs) includes
(Rs. In lacs)

S.No	Particulars	31.03.2010	31.03.2009
(a)	<u>Director</u>		

i)	Foreign Traveling	1.28	7.49
ii)	Others	3.43	1.84
(b)	Staff		
i)	Foreign Traveling	0.34	-
ii)	Others	7.53	5.11

7. No provision has been made for remuneration payable to Managing Director.

8. SEGMENT REPORTING

Business Segments

The Company is dealing in paper and paperboard products. As such, there are no reportable business segments.

9. RELATED PARTY DISCLOSURES

Related party disclosures as required under Accounting Standard on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given below :-

a) Relationship

i) Subsidiary Companies

NIL

ii) Joint Ventures and Associates

NIL

iii) Key Management Personnel (Managing Director/Whole-time directors)

Mahesh Gupta

Vidya Sagar

Ankit Gupta

iv) Relative of the Key Management Personnel*

Krishna Mohan

Krishna Devi

Krishan Mohan HUF

Mahesh Gupta HUF

Ram Gopal HUF

Suraj Bhan Gupta

v) Entities over which key management personnel/their relatives are able to exercise significant influence*

Babu Ram Ram Gopal

Vishal Paper Industries

Vishal Paper Mills Limited

Vishal Coaters Limited

* With whom the company had transactions.

b) The following transactions were carried out with related parties in the ordinary course of business.

i) **Subsidiary Companies, Joint Ventures and associates**

NIL

ii) **Key Management Personnel and their relatives**

Sr.No.	Particulars	Amount (Rs. in lacs)
i.	Remuneration	NIL
ii.	Purchase	NIL
iii.	Sales	NIL
iv.	Interest on Loans	15.69
v.	Balance at the end of the year --Deposits Received	240.12

iii) **Entities over which key management personnel/their relatives are able to exercise significant influence**

Sr.No.	Particulars	Amount (Rs. in lacs)
i.	Remuneration	NIL
ii.	Purchase of Raw Material	20.67
iii.	Purchase of Plant & Machinery	5.72
iv.	Sales	0.16
v.	Interest On Loans	22.81
vi.	Balance at the end of the year --Deposits Received	17.42

10. **Income Tax**

Current Tax

Provision for Income tax and fringe benefit tax has been made as per Income-tax Act, 1961.

Deferred Tax

In compliance with Accounting Standard (AS-22) relating to "Accounting on Taxes on Income" issued by the Institute of Chartered Accountants of India, Deferred Tax Liability accruing during the year aggregating to Rs 55.19 lacs has been recognized in the Profit & Loss Account.

11. Fixed assets possessed by the company are treated as corporate assets and are not Cash Generating Unit as per Accounting Standard -28 issued by the Institute of Chartered Accountants of India. In the opinion of management there is no impairment of the fixed assets of the company.

12. Unsecured Loans includes some interest bearing deposits from business associates and certain relatives of the promoters in the nature of Loans in compliance to the stipulation of the financial institutions and therefore in the opinion of the management the same does not attract the provisions of section 58-A of the Companies Act, 1956.

13. **Staff Benefit Plans**

No Provision has been made for accrued liability on account of gratuity or Leave Encashment payable. The same shall be accounted for on cash basis as and when paid.

14. **Earnings Per Share**

Basic earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

15. In the opinion of the management of the Company, there are no micro, small and medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at March 31, 2010. The information as required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of the information available with the Company and have been relied upon by the statutory auditors of the Company.

16. Additional information pursuant to the provisions of the paragraph 3,4C & 4D of part II of schedule VI of the companies act, 1956 are as per Annexure XXI(a)

17. Balance Sheet Abstract & Company's general business profile are as per Annexure XX(b)

FOR & ON BEHALF OF BOARD

MANAGING DIRECTOR DIRECTOR

AUDITORS' REPORT

As per our separate report of even date attached.

**FOR DATTA SINGLA & CO.
CHARTERED ACCOUNTANTS**

PLACE : CHANDIGARH
DATED : 20.07.2010

YOGESH MONGA
PARTNER
M. No. 099813

VISHAL PAPERTECH (INDIA) LIMITED**ADDITIONAL INFORMATION PURSUANT TO THE PROVISIONS OF PARAGRAPH 3,
4C & 4D OF PART II OF SCHEDULE VI OF THE COMPANIES ACT, 1956****(i) LICENCED/INSTALLED CAPACITY**

	LICENCED CAPACITY (MTS)(P.A)	INSTALLED CAPACITY (MTS)(P.A)
- Finished Goods (A) Duplex Board	25500	15000

(ii) PRODUCTION, SALES & STOCKS

	FOR THE YEAR <u>ENDING 31.03.2010</u>	FOR THE YEAR <u>ENDING 31.03.2009</u>
<u>OPENING STOCK</u>		
Quantity(In M.T)	381.240	237.639
Value(In Rs.)	5909232.40	3683416.90
<u>PRODUCTION</u>		
Quantity(IN M.T)	24174.595	16188.480
<u>SALES</u>		
Quantity(In M.T)	24273.839	16044.879
Value(In Rs.)	352208550	2391907731
<u>CLOSING STOCKS</u>		
Quantity(IN M.T)	281.997	381.240
Value(In Rs.)	4751649.45	5909232.40

(iii) INFORMATION IN RESPECT OF GOODS TRADED - Nil

(iv) **RAW MATERIAL CONSUMED DURING THE YEAR**

	FOR THE YEAR ENDING 31.03.2010 <u>Qty(In Mts.)</u>	FOR THE YEAR ENDING 31.03.2009 <u>Amount</u>	FOR THE YEAR ENDING 31.03.2009 <u>Qty(In Mts.)</u>	<u>Amount</u>
Waste Paper	24954.768	140203335.67	17904.930	89312288.04
Chemicals	N.A.	50719688.57	N.A	39686074.64

(v) **CIF VALUE IMPORTS**

	FOR THE YEAR ENDING 31.03.2010 Amount	FOR THE YEAR ENDING 31.03.2009 Amount
Waste Paper	1,35,39,177.60	8,79,664.00

(vi) **EXPENDITURE IN FOREIGN EXCHANGE**

Travelling expenses	1,62,125	7,48,518
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(vii) EARNINGS IN FOREIGN EXCHANGE ON EXPORT SALES(FOR VALUE)	Nil	Nil
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(viii) **EARNING PER SHARE**

PARTICULARS	UNIT	YEAR ENDED 31.03.2010	YEAR ENDED 31.03.2009
Profit After Tax	Rs in lacs	91.36	59.34

No of Weighted Average equity shares (Basic)	Nos.	7800000	7800000
No of Weighted Average equity shares (Diluted)	Nos.	7800000	7800000
Nominal value of equity shares	Rs.	10.00	10.00
Earnings per Share			
-Basic	Rs.	1.20	0.76
-Diluted	Rs.	1.20	0.76

FOR & ON BEHALF OF BOARD

MANAGING DIRECTOR DIRECTOR

PLACE : CHANDIGARH
DATED : 20.07.2010

AUDITORS' REPORT

As per our separate report of even date attached.

**FOR DATTA SINGLA & CO.
CHARTERED ACCOUNTANTS**

**YOGESH MONGA
PARTNER
M. No . 099813**

CORPORATE GOVERNANCE REPORT :

1.COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE :

Corporate Governance is the combination of voluntary practice and compliance with laws and regulations leading to effective control and management of the company. The company believes that good corporate governance contemplates that corporate actions balance the interest of all stockholders and satisfy the tests of accountability , transparency and fair play. The company believes that all its operations and actions must be directed towards overall share holder value.

2.BOARD OF DIRECTORS :

The Board of Directors consists of seven Directors.

The composition of Board of Directors and other relevant details are given below :

Name of the Director	Category	No. of Board Meetings attended	Attendance at last AGM	No. of other directorships	No. of Board Committees
Mr. Mahesh Kumar Gupta	Managing Director	6	Yes	1	2
Mr. Ankit Gupta	Director	4	Yes	1	1
Mr. Vidya Sagar	Director	4	Yes	1	2
Mr. Yash Paul Goyal	Independent Director	5	Yes	Nil	2
Mr. Harinder Goyal	Independent Director	4	No	Nil	2
Mr. S.K.Sharma	Nominee Director	Nil	No	NA	NA
Mr. Ajay Mahajan	Nominee Director	Nil	No	NA	NA

During the financial year ended 31.03.2010 , Six Board Meetings were held. There was not a gap of more than four months between two board meetings. The minutes of the meeting are entered in the minutes book within 30 days of end of each meeting. No independent director has any material pecuniary interest in the Company. The company has hold seven Board meeting during the financial year. The members of Board have access to all the information of the Company.

Annual general meeting of the company for last financial year was held on 30.09.2009. No extra ordinary general meeting was held during the financial year.

3 AUDIT COMMITTEE :

The Board has defined the scope of Audit committee to cover the all areas provided in Companies Act, 1956 and Listing Agreement with the Stock Exchange. The terms of reference of the Audit Committee are given below :

- (a) Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- (b) Recommend the appointment, reappointment and replacement of auditors.
- (c) Recommending and approval of payments of statutory auditors for various assignments.
- (d) Reviewing with management the annual financial statements before submission to the Board, focusing primarily on:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - ii. Changes, if any, in accounting policies and practices and reasons for the same
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management
 - iv. Significant adjustments made in the financial statements arising out of audit findings
 - v. Compliance with listing and other legal requirements relating to financial statements

- vi. Disclosure of any related party transactions
- viii. Qualifications in the draft audit report.
 - (e) Reviewing, with the management, the quarterly financial statements before submission to the board for approval
 - (f) Reviewing, with the management, the statement of uses / application of funds raised through public issue, rights issue, preferential issue, etc.
 - (g) Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
 - (h) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
 - (i) Discussion with internal auditors on any significant findings and follow up there on.
 - (j) Reviewing the findings of internal investigations by the internal auditors into the requisite matters
 - (k) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain area of concern.
 - (l) Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
 - (m) Discussion with internal auditors of any significant findings and follows up thereon.

The audit committee comprises of three directors namely Mr. Harinder Goyal, Mr. Mahesh Gupta and Mr. Yash Paul Goyal. Mr. Harinder Goyal is the Chairman of the audit committee.

Details of meeting of Audit Committee

Four meetings of audit committee were held during the financial year.

Name of the Members of Audit committee	No. of meetings held	No. of Meetings attended
Mr. Harinder Goyal	4	4
Mr. Mahesh Kumar Gupta	4	4
Mr. Yash Paul Goyal	4	4

The gap between two meetings of the audit committee is not more than four months.

4.REMUNERATION COMMITTEE

The company has constituted a Remuneration Committee. The Members of the remuneration committee are Mr. Yash Paul Goyal, Mr. Harinder Goyal and Mr. Vidya Sagar. During the financial year the remuneration committee meeting was held once. The Company has no pecuniary relationship or transactions with its non - executive directors. No meeting of remuneration committee was convened in the last financial year.

Details of remuneration of directors during the year ended 31st March, 2010 are given below

Name of the Director	Salary (pm)	Perquisites & Commission	Total
Sh. Mahesh Gupta	100000		100000
Sh. Ankit Gupta	75000		275000

5. SHAREHOLDERS/INVESTORS GRIEVANCES/ SHARE TRANSFER COMMITTEE

The followings are the members of the committee.

Mr. Mahesh Kumar Gupta
Mr. Ankit Gupta
Mr. Vidya Sagar

Meetings of the committee were regularly held during the financial year. The committee met to approve the transfer of shares and to redress the shareholders grievances. The share certificates submitted for dematerialisation were also approved by the committee. Some shares of the Company are in physical form. There were no pending transfers and there is no complaint pending as on 31/03/2010.

Brief information on the Directors proposed for reappointment

Mr. Ankit Gupta and Mr. Harinder Goyal, Directors are liable to retire by rotation and being eligible they have offered themselves for reappointment. Mr. Ankit Gupta is MBA. He is young and dynamic enterprenuer. He is helping immnesly in the growth of the company. Mr. Harinder Goyal is Charetered Accountant. He has experience of more than 20 years in the field of finance and accounts.

Details of Annual/Extra Ordinary General Meeting :

The annual general meeting of the Company for the last financial year was held on 30th September 2009 at Registered Office. No special business was transacted in the last annual general meeting. No Extra Ordinary General Meeting was convened during the year and nor resolution was passed through postal ballot.

YEAR	DATE OF AGM	TIME	PLACE
2006-07	29th September 2007	10.00 a.m.	Regd office
2007-08	30 th September 2008	10.00 a.m	Regd office
2008-09	30 th September 2009	10.00 a.m.	Regd office

Disclosures

(a) Transactions with related party:

The company has not entered into any materially significant related party transactions during the period under review that may have potential conflict with the interest of the company.

(b) Accounting treatment

In preparation of the financial statements the company has followed the accounting standards issued by Institute of Chartered accountants of India and has applied the standard accounting policies.

© Penalties and Non Compliances

There have been no instances of any penalties imposed on the company on any matter relating to the capital market. The Board receives a certificate of compliance of the applicable laws from the Managing director in every Board meeting.

(d) The certificate of compliance of various statutory laws have been taken from the Managing Director.

Means of Communication

The communication with the shareholders at large is through annual report, publication of quarterly results and press releases in newspaper. The Company send annual reports to all the shareholders. The notices of convening of general meetings are published in the newspaper. The Board of directors approves the quarterly results within 45 days of end of each quarter. The financial results are being sent to stock exchange through courier, internet and fax. Quarterly results are also regularly published in the newspaper papers in accordance with the requirement of the Listing Agreement.

SHARE HOLDER INFORMATION :

Share holder information :

Annual General Meeting : Village Mubarikpur, Tehsil Derabassi,
Distt SAS Nagar

Book closure:

The company's register of member and share transfer books will remain closed from 27th September 2010 to 30th September 2010 (Both days inclusive).

Details of stock exchanges:

The shares of the company are listed in following Stock Exchanges.

Bombay Stock Exchange Limited

The shares of the company are being traded at Bombay Stock Exchange. The trading of the shares is suspended for the time being.

Stock code

The stock code of BSE is 531981.

Regd Office & Works

Village Mubarikpur, Tehsil Derabassi,
Distt SAS Nagar,
Mohali. (Punjab)

MANAGEMENT DISCUSSIONS AND ANALYSIS

Demand:

The domestic demand of paper and Paperboard is increasing rapidly. The demand is expected to rise more due to improved socio economic development and other factors.

Supply:

The demand of the paper are mainly met by small and medium scale factories which are based in western part of the country. The Large mills are south India based. The main sources of raw material in the papers industry are wood, agro waste and waste paper.

Opportunities, threats and risks:

We operate in a competitive environment as our principal products are papers and boards. Players in this market generally compete with each other on key attributes such as technical competence, quality of products, pricing and track record. We compete with our competitors on the basis of our track record of quality, technical competence and distribution channels.

Internal Control System:

The company has very effective internal control system. All the assets of the Company are properly safeguarded. The use of assets is properly recorded. The internal control system is properly documented. The system is reviewed and updated by the management periodically. The finding and suggestions of internal control are reviewed by the Board of Directors & Audit Committee and they make sure that internal control system is properly complied with

Human Resources and Industrial relation:

The company is maintaining very cordially relations with all concerned people. With the change in management, new faces have been inducted in the company. The relations with banks and pother statutory departments are also very cordial.

CORPORATE GOVERNANCE CERTIFICATE

TO THE MEMBERS OF VISHAL PAPERTECH INDIA LIMITED

We have examined the compliance of conditions of Corporate Governance by Vishal Papertech India Limited for the year ended 31st March 2010 as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchange.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereto, adopted by the Company for ensuring the compliance of conditions of the corporate governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

In our opinion and to the best of our information and according to the examinations given to us we certify that the Company has complied with the conditions of corporate governance as stipulated in the above mentioned Listing Agreement.

We state that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Company.

We further state that such compliance is neither an assurance to future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company

Date : 20.07.2010
Place: Chandigarh

Company Secretary

DECLARATION REGARDING COMPLIANCE WITH THE COMPANY'S CODE OF CONDUCT

The Company has framed a specific Code of Conduct for the members of the Board of Directors and the Senior Management Personnel of the Company pursuant to Clause 49 of the Listing Agreement.

The Company has, in respect of the financial year ended March 31, 2010, received from the members of the Board of Directors and the Senior Management Personnel a declaration of compliance with the Code of Conduct as applicable to them.

Date :20/07/2010
Place: Regd office

Mahesh Gupta
Managing Director cum Compliance officer