

NOTICE

NOTICE IS HEREBY GIVEN THAT THE 16^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 DISTT. PATIALA ON FRIDAY 30th SEPTEMBER, 2011 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 2011 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. Yash Pal Goyal who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Director in place of Mr. Vidya Sagar 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(1B) 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.

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

Sd/-
Mahesh Gupta
(Managing Director)

Place: Chandigarh
Date : 31.08.2011

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, 2011 to 30th September, 2011 (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. Yash Pal Goyal who retires by rotation is an Independent director. He is by profession a Income Tax Practitioner having more than 30 years of rich experience in business , Taxation and financial matters.
7. Mr. Vidya Sagar , who retires by rotation , is promoter Director. By profession Mr. Vidya Sagar is a technocrat in paper industry and looking after commercial and technical operations of the company.

DIRECTORS REPORT

Your Directors have great pleasure in presenting the 16th Annual Report together with Audited Accounts of the company for the Financial Year ended on 31st March 2011.

BUSINESS OPERATIONS

(In lacs)

Particulars	2010-11	2009-10
Sales & Other Income	6025.06	3522.08
Profit Before depreciation & Intt.	449.08	348.96
Interest	184.43	120.56
Depreciation	105.46	76.11
Net (Loss)/Profit	159.19	152.29
I Tax	34.30	25.88
Deferred Tax	55.98	55.19
I Tax related to previous Yr	02.79	02.14
Net amount Transfrd to B/s	100.41	91.36

The company, maintaining its growth trend, reported an increase of 70% in sales. However, due to margin pressure on account of high material cost, power the profit increase was marginally high. The company is taking some path breaking measures to reduce the cost so as to improve its bottom line.

DIVIDEND :

The Board has decided not to recommend any dividend for the year.

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. Yash Pal Goyal and Mr Vidya Sagar, Directors of the company retire by rotation and being eligible offer themselves for re-appointment.

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 share of the company were listed. The company is making earnest efforts to get the scripts of the company listed at BSE Ltd.

ACKNOWLEDGEMENT

The Directors, place on record their appreciation for the support and assistance received from 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 : 31.08.2011
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)		
	Total Amount (Rs. In lacs)		
	Rate per unit (Rs.)		
b.	Own Generation		
	Through diesel generator		
	Generated units (In lacs KW)		I
	Total Amount (Rs. In lacs)		
	Cost per unit (Rs.)		
	Units per ltr. of diesel oil (Nos.)		

Technology Absorption : NA

FOREIGN EXCHANGE EARNING /OUT GO

Place :Chandigarh
Date : 31/08/2011

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, 2011 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 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, 2011 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.

FOR DATTA SINGLA & CO.
CHARTERED ACCOUNTANTS
Firm Regn. No. 006185N

YOGESH MONGA
PARTNER
M. No. 099813

PLACE : CHANDIGARH
DATED : 31.08.2011

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, 2011

- 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.
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- 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.
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- 3 (a) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, Firms and other Parties Listed in the register maintained under Section 301 of the Companies Act 1956.
 - (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 890.70 lacs. And the year end balance of such loans was also Rs. 556.50 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, 2011 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 2010-11 are Rs.98.44 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 : 31.08.2011

FOR DATTA SINGLA & CO.
CHARTERED ACCOUNTANTS
Firm Regn. No. 006185N

YOGESH MONGA
PARTNER
M. No. 099813

VISHAL PAPERTECH (INDIA) LTD.

BALANCE SHEET AS AT 31ST MARCH, 2011

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	61,353,380.62		36,910,228.67	
Unsecured Loans	III	122,271,538.29		97,857,635.59	
			183,624,918.91		134,767,864.26
			253,452,418.91		204,595,364.26
II. APPLICATION OF FUNDS:					
1. FIXED ASSETS					
	IV				
Gross Block		280,274,861.09		247,652,851.68	
Less: Depreciation		157,129,483.71		149,509,193.56	
Net Block			123,145,377.38		98,143,658.12
Capital Work In Progress					-
2. INVESTMENTS					
			-		-
3. CURRENT ASSETS, LOANS & ADVANCES					

Closing Stock	V	42,350,615.92	45,806,140.95
Sundry Debtors	VI	129,067,464.29	78,416,539.97
Cash & Bank Balances	VII	2,826,337.63	2,125,413.04
Loans & Advances	VIII	13,885,303.35	7,829,312.85
Other Current Assets	IX	-	369,350.00
		188,129,721.19	134,546,756.81
LESS: CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	X	70,359,155.96	58,403,865.41
Provisions	XI	4,720,069.00	2,588,000.00
NET CURRENT ASSETS		113,050,496.23	73,554,891.40
4. MISCELLANEOUS EXPENDITURE (To the extent not written off/adjusted)			
Preliminary Expenses		-	-
Deffered Tax Assets (Net)	XII	7,412,100.00	13,010,908.00
Profit & Loss Account	XIII	9,844,445.30	19,885,906.74
		253,452,418.91	204,595,364.26
NOTES ON ACCOUNTS	XXII		
FOR & ON BEHALF OF BOARD		(0.00)	AUDITORS' REPORT In terms of Our Separate Report of even date annexed.

FOR VISHAL PAPERTECH (INDIA) LIMITED

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

Firm Regn. No. 006185N

MANAGING DIRECTOR

DIRECTOR

Yogesh Monga

Partner

Membership No. 099813

PLACE : CHANDIGARH

DATED : 31.08.2011

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

PARTICULARS	AMOUNT AS AT 31.03.2011	AMOUNT AS AT 31.03.2010
<u>AUTHORISED SHARE CAPITAL</u>		
85,00,000(85,00,000) Equity Shares Of Rs.10/- Each.	85,000,000.00	85,000,000.00
<u>ISSUED, SUBSCRIBED & PAID UP CAPITAL</u>		
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 31.03.2011	AMOUNT AS AT 31.03.2010
<u>WORKING CAPITAL LIMITS</u>		
Oriental Bank Of Commerce (Secured by hypothecation of tangible assets and	61,353,380.62	36,910,228.67

receivables)

61,353,380.62	36,910,228.67
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SCHEDULE-III

UNSECURED LOANS

PARTICULARS	AMOUNT AS AT 31.03.2011	AMOUNT AS AT 31.03.2010
Due To Directors or Firms/Companies In Which Directors Are Interested	102,561,737.00	77,633,785.00
Inter Corporate Deposit	19,709,801.29	20,223,850.59
Others	-	-
	<hr/> 122,271,538.29	<hr/> 97,857,635.59

VISHAL PAPERTECH (INDIA) LTD.

DETAILS OF FIXED ASSETS

PARTICULARS	GROSS BLOCK				DEPRECIATION			
	AS AT 01.04.2010	ADDITIONS DURING THE PERIOD	SALES/ * ADJUSTMENT	TOTAL AS AT AT 31.03.2011	UP TO AT 31.03.2010	DURING THE YEAR	ADJUSTMENTS**	UP AT 31.03.2011
Land & Land Devp.	7,707,244.10	-	-	7,707,244.10	-	-	-	-
Building	32,083,437.53	3,228,365.00	-	35,311,802.53	11,603,494.52	1,080,572.00	-	12,683,966.52
Plant & Machinery	168,179,655.21	30,190,584.36	-	198,370,239.57	107,597,920.69	8,403,695.00	-	116,001,615.69
Electrical Install.	19,595,900.58	1,429,165.25	-	21,025,065.83	18,511,394.94	261,199.00	-	18,772,593.94
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	415,201.31	-	-	415,201.31	310,244.34	12,172.00	-	322,072.34
Office Equipments	901,915.05	358,982.00	-	1,260,897.05	562,392.97	120,015.00	-	682,387.97
Vehicles	8,721,918.20	967,033.00	3,921,876.20	5,767,075.00	3,818,565.14	547,872.00	2,926,299.85	1,441,637.85
Tools & Dies	30,147.65	-	-	30,147.65	30,146.65	-	-	30,146.65
Computers	682,933.00	232,547.00	-	915,480.00	491,656.94	73,085.00	-	564,741.94
Furniture & Fixture	620,761.40	137,209.00	-	757,970.40	382,241.72	47,980.00	-	435,018.72
Security Deposits	2,512,600.00	-	-	2,512,600.00	-	-	-	-
	247,652,851.68	36,543,885.61	3,921,876.20	280,274,861.09	149,509,193.56	10,546,590.00	2,926,299.85	157,131,493.35
PREVIOUS YEAR	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	149,294,143.56

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

PARTICULARS	AMOUNT AS AT 31.03.2011	AMOUNT AS AT 31.03.2010
Raw Material	1,989,508.50	5,763,817.50
Finished Goods	5,387,057.42	4,751,649.45
Misc. Stocks (Included Work In Process)	34,974,050.00	35,290,674.00
	<u>42,350,615.92</u>	<u>45,806,140.95</u>

SCHEDULE-VI**SUNDRY DEBTORS**

PARTICULARS	AMOUNT AS AT 31.03.2011	AMOUNT AS AT 31.03.2010
(Unsecured But Considered Good) Outstanding For Period		
Exceeding Six Months	15,857,116.68	8,817,723.00
Others	113,210,347.61	69,598,816.97
	<u>129,067,464.29</u>	<u>78,416,539.97</u>

SCHEDULE-VII**VISHAL PAPERTECH (INDIA) LTD.****CASH & BANK BALANCES**

PARTICULARS	AMOUNT AS AT 31.03.2011	AMOUNT AS AT 31.03.2010
Cash In Hand	845,050.47	140,008.67
<u>Balances With Scheduled Banks</u>		
Current Accounts	1,981,287.16	1,985,404.37
	<hr/>	<hr/>
	2,826,337.63	2,125,413.04

SCHEDULE-VIII**LOANS & ADVANCES**

PARTICULARS	AMOUNT AS AT 31.03.2011	AMOUNT AS AT 31.03.2010
Advances To Staff Workers	1,033,786.72	784,081.72
Advances Recoverable In Cash or In Kind	8,797,398.00	5,152,401.00
Advance to Suppliers	3,051,879.63	1,383,049.13
Excise Duty Balances	1,002,239.00	509,781.00
	<hr/>	<hr/>
	13,885,303.35	7,829,312.85

SCHEDULE-IX

OTHER CURRENT ASSETS

PARTICULARS	AMOUNT AS AT 31.03.2011	AMOUNT AS AT 31.03.2010
Bank Charges Recoverable	-	102,030.00
Penalty of S.Tax Deposited in Protest A/c	-	73,320.00
Insurance Claim Receivable	-	194,000.00
	-	369,350.00

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

PARTICULARS	AMOUNT AS AT 31.03.2011	AMOUNT AS AT 31.03.2010
Sundry Creditors	51,962,456.68	34,956,725.05
Creditors-Others	9,492,287.10	7,731,309.50
Other Liabilities	8,904,412.18	15,715,830.86
	<u>70,359,155.96</u>	<u>58,403,865.41</u>

SCHEDULE-XI**PROVISIONS**

PARTICULARS	AMOUNT AS AT 31.03.2011	AMOUNT AS AT 31.03.2010
Income Tax Payable	3,430,000.00	2,588,000.00
Provision for Gratuity	1,290,069.00	-
	<u>4,720,069.00</u>	<u>2,588,000.00</u>

SCHEDULE - XII**DEFERRED TAX ASSETS**

PARTICULARS	AMOUNT AS AT 31.03.2011	AMOUNT AS AT 31.03.2010
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Deferred Tax Liabilities Arising On Account Of

Depreciation	13,341,920.82	7,607,948.35
	<hr/>	<hr/>
TOTAL	<u>13,341,920.82</u>	<u>7,607,948.35</u>

Deferred Tax Assets Arising On Account Of :

Unabsorbed Depreciation/Business Loss For Tax Purposes	34,897,125.03	45,886,582.25
Provision for Gratuity	1,290,069.00	-
	<hr/>	<hr/>
TOTAL	<u>36,187,194.03</u>	<u>45,886,582.25</u>

NET DEFERRED TAX ASSETS (B-A) 22,845,273.21 38,278,633.90

TAX IMPACT 7,412,100.00 13,010,908.00

13,095,623.00

SCHEDULE - XIII

VISHAL PAPERTECH (INDIA) LTD.

PROFIT & LOSS ACCOUNT

PARTICULARS	AMOUNT AS AT 31.03.2011	AMOUNT AS AT 31.03.2010
Opening Balance	19,885,906.74	29,022,249.06
Profit Transferred during the year	10,041,461.44	9,136,342.32
	<hr/>	<hr/>
Closing Balance	<u>9,844,445.30</u>	<u>19,885,906.74</u>

SCHEDULE - XIV**OTHER INCOME**

PARTICULARS	AMOUNT AS AT 31.03.2011	AMOUNT AS AT 31.03.2010
Misc. Income	1,321,322.80	1,992,963.93
Interest Income	-	280,624.00
	<hr/>	<hr/>
	<u>1,321,322.80</u>	<u>2,273,587.93</u>

SCHEDULE-
XV

VISHAL PAPERTECH (INDIA) LTD.

RAW MATERIAL CONSUMED

PARTICULARS	AMOUNT AS AT 31.03.2011	AMOUNT AS AT 31.03.2010
Opening Stock	15,663,255.50	14,936,141.57
Add:Purchases		
Waste Paper	269,775,442.7 2	141,976,221.6 0
Chemicals	<u>94,191,258.50</u>	<u>49,673,916.57</u>
	363,966,701.2 2	191,650,138.17
Less:Closing Stock		
Waste Paper	1,989,508.50	5,763,817.50
Chemicals	<u>10,922,200.00</u>	<u>9,899,438.00</u>
	12,911,708.50	15,663,255.50
	<u>366,718,248.2 2</u>	<u>190,923,024.24</u>

SCHEDULE-XVI

PERSONNEL EXPENSES

PARTICULARS	AMOUNT AS AT 31.03.2011	AMOUNT AS AT 31.03.2010
Salaries ,Wages & Allowances	25,036,700.00	15,974,703.00
Director's Remuneration	975,000.00	-
	<hr/> 26,011,700.00	<hr/> 15,974,703.00

VISHAL PAPERTECH (INDIA) LIMITED

NOTES FORMING PART OF ACCOUNTS:-

A. SIGNIFICANT ACCOUNTING POLICIES:

1. Basis for preparation of financial statements

- i. The financial statements of Vishal Papertech (India) 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. The company follows accrual method of accounting.
- iii. Previous year figures have been re-grouped and re-arranged wherever considered necessary.

2. Uses of Estimates

The preparation of financial statements requires estimates and assumptions to be made that affect the reported amount of assets and 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.

3. Fixed Assets and Depreciation

- 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.

4. Impairment of Fixed Assets

An asset is treated as impaired when the carrying cost of asset exceeds its recoverable value. An impairment loss is charged to Profit and Loss Account in the year in which 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.

5. Accounting for Government Grants

Government Grants related to specific fixed assets are accounted for on receipt basis. Grants received are deducted from the gross value of fixed assets concerned in arriving at their book value.

Grants related to specific expense are booked on accrual basis and deducted from the related expense.

6. Foreign Currency Transaction

- i. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of transaction.
- ii. Monetary items denominated in foreign currencies at the year end are restated at year end rates.
- iii. Non monetary foreign currency items are carried at cost.
- iv. Any income or expense on account of exchange difference either on settlement or translation is recognized in the Profit & Loss Account.

7. Borrowing Costs

Borrowing costs that are attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to Profit and Loss account.

8. Inventories

- i. 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.

- ii. 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.

9. Revenue Recognition

Revenue is recognized only when it can be reliably measured and it is reasonable to expect ultimate collection. Interest income is recognized on time proportion basis taking into account the amount outstanding and rate applicable.

10. Provision for Current Tax and Deferred Tax

Provision for current tax is made after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred Tax resulting from “timing difference” between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on balance sheet date.

11. Provisions, Contingent Liabilities and 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 an outflow of resources. Contingent Liabilities are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

12. Segment Reporting

Business Segments

The Company operates only in the business segment of “Paper & Paper Board Products”, and in the opinion of the management the inherent nature of activities in which it is engaged are governed by the same set of risks and reward. As such the activities are identified as single segment in accordance with the Accounting Standard (AS-17) issued under Companies (Accounting standards) Rule 2006, as amended upto date.

B. NOTES TO THE ACCOUNTS:

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

2. 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.

3. 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

4. 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

5. Traveling & Conveyance Rs 22.39 lacs (Previous Year Rs. 12.59 lacs) includes

(Rs. In lacs)

S.No	Particulars	31.03.2011	31.03.2010
(a)	<u>Director</u>		
i)	Foreign Traveling	3.76	1.28
ii)	Others	9.70	3.43
(b)	<u>Staff</u>		
i)	Foreign Traveling	-	0.34
ii)	Others	8.94	7.53

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

7. SEGMENT REPORTING

Business Segments

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

8. 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

Harinder Kumar Goyal

Yash Paul Goyal

Satya Pal Singh

iv) Relative of the Key Management Personnel*

Krishna Mohan

Krishna Devi

Krishan Mohan HUF

Mohan Parkash

Mohan Parkash HUF
 Mahesh Gupta HUF
 Ram Gopal HUF
 Rohini Gupta
 Suman Gupta
 Suraj Bhan Gupta
 Suraj Bhan & Bros
 Suraj Bhan Gupta HUF
 Sunita 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	9.75
ii.	Purchase	NIL
iii.	Sales	NIL
iv.	Interest on Loans	41.48
v.	Balance at the end of the year --Deposits Received	404.83

- 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	24.26
iii.	Other Expenses	0.23
iv.	Balance at the end of the year --Deposits Received	53.00

9. Income Tax

Current Tax

Provision for Income 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 55.99 lacs has been recognized in the Profit & Loss Account.

10. 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.
11. 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.

12. EMPLOYEE BENEFITS

Defined Contribution Plans: Contribution to Provident Fund of Rs. 5.55 lacs (Previous year Rs 3.84 lacs) is recognized as an expense and included in 'Salaries, Wages & Allowances' in the Profit and Loss Account.

Defined Benefit Plans: The amounts recognized in respect of Gratuity - as per Actuarial valuation.

Particulars	Gratuity	
	As at 31.3.2011	As at 31.3.2010

1. Change in Benefit Obligation		
Liability at the beginning of the year	-	-
Interest Cost	-	-
Past Service Cost (Non Vested Benefits)	1,26,582.00	-
Past Service Cost (Vested Benefits)	9,68,471.00	-
Current Service Cost	1,95,016.00	-
Benefit paid	-	-
Actuarial (Gain)/Loss	-	-
Liability at the end of the year	12,90,069.00	-

2. Expenses recognized in the Profit and Loss Account		
Current Service Cost	1,95,016.00	-
Past Service Cost (Non Vested Benefits)	1,26,582.00	-
Past Service Cost (Vested Benefits)	9,68,471.00	-
Interest Cost	-	-
Actuarial (Gain)/Loss	-	-
Expenses recognized in the Profit and Loss Account	12,90,069.00	-
3. Actuarial Assumptions		
Discount Rate	8.25%	-
Salary Escalation Rate	6%	-
Retirement Age	58 Years	
Withdrawal Rates		
Mortality	Indian Assured Lives Mortality (1994-96)	

13. 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.

14. 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, 2011. 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.
15. 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)
16. Balance Sheet Abstract & Company's general business profile are as per Annexure XX(b)

FOR & ON BEHALF OF BOARD

MANAGING DIRECTOR DIRECTOR
PLACE : CHANDIGARH
DATED : 31.08.2011

AUDITORS' REPORT

As per our separate report of
even date attached.

**FOR DATTA SINGLA & CO.
CHARTERED ACCOUNTANTS**
Firm Regn. No. 006185N

**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 <u>(MTS)(P.A)</u>	INSTALLED CAPACITY <u>(MTS)(P.A)</u>
- Finished Goods (A) Duplex Board	54000	25500

(ii) PRODUCTION, SALES & STOCKS

	<u>FOR THE YEAR ENDING 31.03.2011</u>	<u>FOR THE YEAR ENDING 31.03.2010</u>
<u>OPENING STOCK</u>		
Quantity(In M.T)	281.997	381.240
Value(In Rs.)	4751649.45	5909232.40
<u>PRODUCTION</u>		
Quantity(IN M.T)	32194.490	24174.595
<u>SALES</u>		
Quantity(In M.T)	32198.086	24273.839
Value(In Rs.)	602505937	352208550
<u>CLOSING STOCKS</u>		
Quantity(IN M.T)	278.4009	281.997

Value(In Rs.)	5387057.42	4751649.45
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(iii) **INFORMATION IN RESPECT OF GOODS TRADED** - Nil

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

	FOR THE YEAR ENDING 31.03.2011		FOR THE YEAR ENDING 31.03.2010	
	<u>Qty(In Mts.)</u>	<u>Amount</u>	<u>Qty(In Mts.)</u>	<u>Amount</u>
Waste Paper	34376.555		27,35,49,751.72	24954.768
14,02,03,335.67				
Chemicals	N.A.	9,31,68,496.50	N.A.	
5,07,19,688.57				

(v) **CIF VALUE IMPORTS**

	FOR THE YEAR ENDING 31.03.2011	FOR THE YEAR ENDING 31.03.2010
	<u>Amount</u>	<u>Amount</u>
Waste Paper	NIL	1,35,39,177.60

(vi) **EXPENDITURE IN FOREIGN EXCHANGE**

Travelling expenses	3,75,875	1,62,125
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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 31.03.2011	YEAR ENDED 31.03.2010
Profit After Tax	Rs in lacs	100.41	91.36
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.	1.32	1.20
-Diluted	Rs.	1.32	1.20

AUDITORS' REPORT

FOR & ON BEHALF OF BOARD

MANAGING DIRECTOR DIRECTOR

PLACE : CHANDIGARH
DATED : 31.08.2011

As per our separate report of
even date attached.
FOR DATTA SINGLA & CO.
CHARTEREDACCOUNTANTS
Firm Regn. No. 006185N

YOGESH MONGA
PARTNER
M. No. 099813

VISHAL PAPERTECH (INDIA) LTD.**Cash Flow Statement for the year ended 31 March 2011**

	Year ended 31 March 2011 Amount	Year ended 31 March 2010 Amount	
Cash flow from operating			
A. activities:			
Profit for the year before tax and prior period items	15,919,839	15,229,023	
Adjustments for			
:			
Depreciation	10,546,590	7,610,675	
Misc. Expenditure W/Off	-	-	
Loss on sale of fixed assets	995,576	211,980	
Interest expense	18,834,553	12,413,217	
Interest income	-	(280,624)	
Provision for Gratuity	1,290,069	-	
Operating profit before prior period items and working capital changes		47,586,628	35,184,272
Adjustment for prior period income/(expense)	(279,570)	(269,203)	
Operating profit before working capital changes	47,307,058	34,915,069	
Adjustments for:			
Trade and other receivables	(50,650,924)	(14,188,339)	
Inventories	3,455,525	7,807,193	
Loans and advances	(5,686,641)	3,661,326	
Trade and other payables	12,797,291	(13,231,528)	

Cash generated from operations	7,222,309	18,963,721
Income tax paid	-	-
Net cash from operating activities	7,222,309	18,963,721

B. Cash flow from investing activities:

Purchase of fixed assets/ capital work-in-progress	(36,543,886)	(24,380,449)
Interest received	-	280,624
Sale of Fixed Assets	-	336,000
Net cash (used)/Generated in investing activities	(36,543,886)	(23,763,825)

C. Cash flow from financing activities:

Proceeds from long term borrowings	-	-
Repayment of long term borrowings	24,413,903	(4,828,629)
Proceeds/(repayment) of short term borrowings	24,443,152	9,141,828
Interest paid	(18,834,553)	(12,413,217)
Net cash (used)/generated in financing activities	30,022,501	(8,100,019)

Net increase in cash and cash equivalents (A)+(B)+(C)	700,925	(12,900,123)
Opening cash and cash equivalents	2,125,413	15,025,536
Closing cash and cash equivalents	2,826,337	2,125,413

AUDITORS' REPORT

"As Per our Report of even date attached"

FOR VISHAL PAPERTECH (INDIA) LIMITED

**For Datta Singla & Co.
CHARTERED
ACCOUNTANTS**

Firm Regn. No. 006185N

**Managing
Director**

Director

Partner
Yogesh
Monga
M.No.-
099813

Place: Chandigarh

DATED : 31.08.2011

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

PARTICULARS	AMOUNT AS AT 31.03.2011	AMOUNT AS AT 31.03.2010
Power, Fuel, Oil & Lubricants	115,255,916.86	71,570,655.26
Stores & Spares	16,489,628.22	9,558,916.86
Testing Charges	23,843.00	8,879.00
	<hr/>	<hr/>
	131,769,388.08	81,138,451.12

SCHEDULE-XVIII**REPAIR & MAINTENANCE EXPENSES**

PARTICULARS	AMOUNT AS AT 31.03.2011	AMOUNT AS AT 31.03.2010
<u>Repair & Maintenance</u>		
-Plant & Machinery	1,904,632.45	1,390,106.00
-Electricals	92,667.00	198,304.00
-Buiding	14,774.00	166,810.00
	<hr/>	<hr/>
	2,012,073.45	1,755,220.00

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

PARTICULARS	AMOUNT AS AT 31.03.2011	AMOUNT AS AT 31.03.2010
Audit Fees	82,725.00	82,725.00
Computer Exp.	136,310.00	121,019.00
Consultancy Charges	315,244.00	87,945.00
Donation	82,753.00	9,555.00
General Expenses	555,619.73	203,116.01
Office Expenses	126,550.00	101,731.00
Insurance	482,571.16	421,599.00
Membership & Subs.	55,046.00	45,497.00
Postage & Telegram	156,237.00	153,383.00
Telephone Expenses	1,016,401.40	918,671.00
Printing & Stationary	229,353.00	191,441.00
Rates, Fees & Taxes	283,127.00	118,732.00
Service Tax	35,536.00	72,225.00
Vehicle Running & Maint.	1,471,973.00	514,448.00
Interest & Penalties paid	462,561.00	44,858.00
Loss on Sale/Disposal of Fixed Assets	995,576.35	211,980.00
<u>Travelling & Conveyance</u>		-
Directors	1,345,564.00	471,414.00
Others	893,846.00	787,270.00
	8,726,993.64	4,557,609.01

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

PARTICULARS	AMOUNT AS AT 31.03.2011	AMOUNT AS AT 31.03.2010
Interest Paid	18,443,441.66	12,056,259.64
Bank Charges	167,520.73	246,311.53
Interest on Car Loan	223,590.98	110,646.12
	<hr/>	<hr/>
	18,834,553.37	12,413,217.29

SCHEDULE-XXI**SELLING EXPENSES**

PARTICULARS	AMOUNT AS AT 31.03.2011	AMOUNT AS AT 31.03.2010
Packing Material	11,780,651.00	7,445,897.00
Freight & Cartage (Outward)	11,285,991.00	8,989,073.00
Advertisement & Publicity	784,701.00	566,194.00
Commission on Sales	210,644.00	-
Discount Allowed	2,390,974.68	1,403,148.00
	<hr/>	<hr/>
	26,452,961.68	18,404,312.00

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 Six 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	7	Yes	1	2
Mr. Ankit Gupta	Director	6	Yes	1	1
Mr. Vidya Sagar	Director	5	Yes	1	2
Mr. Yash Paul Goyal	Independent Director	5	Yes	Na	2
Mr. Harinder Goyal	Independent Director	4	No	Na	2
Mr Satya Pal Singh	Director	3	No	Na	Na

During the financial year ended 31.03.2011, Seven 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 30.09.2010. 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

- vii. 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	No. of meetings held	No.	of	Meetings
------	----	-----	----------------------	-----	----	----------

Members of Audit committee		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, 2011 are given below

Name of the Director	Salary (pm)	Perquisites & Commission	Total
Sh. Mahesh Gupta	100000	Nil	100000
Sh. Ankit Gupta	75000	Nil	75000
Sh. Satya Pal Singh	35000	Nil	35000

No sitting fees was paid to any director in the last financial year.

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 31/03/2011.

Brief information on the Directors proposed for reappointment

Mr. Yash Pal Goyal and Mr. Vidya Sagar, Directors are liable to retire by rotation and being eligible they have offered themselves for reappointment. Mr. Yashpal Goyal is a law graduate and has business experience of 30 years. Mr. Vidya Sagar is post graduate and has more that 20years of business experience.

Details of Annual/Extra Ordinary General Meeting :

The annual general meeting of the Company for the last financial year was held on 30th September 2010 at Registered Office. The appointment of Mr. Satya Pal Singh was confirmed in the last annual general meeting. No Extra Ordinary General Meeting was convened during the year and nor any resolution was passed through postal ballot.

YEAR	DATE OF AGM	TIME	PLACE
2007-2008	30 th September 2008	10.00 a.m.	Regd office
2008-2009	30 th September 2009	10.00 a.m.	Regd office
2009-2010	30 th September 2010	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 listed at Bombay Stock Exchange. Bombay Stock Exchange has suspended the trading of shares. The company has filed an application for revocation of suspension.

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.

Cost Audit:

The Central Govt has ordered the cost audit of the company. The cost audit is conducted as per cost audit rules.

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 other 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 2011 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 as per the information produced before us.

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

Date : 31.08.2011
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, 2011, 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 :31/08/2011
Place: Regd office

Mahesh Gupta
Managing Director cum Compliance officer