

21st ANNUAL REPORT 2006 - 2007

# RAINBOW

RAINBOW PAPERS LIMITED



An **ISO 9001,14001 & OHSAS 18001** Certified Company

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<b>Contents</b>	<b>Page</b>
Company Information	2
Notice	3-4
Directors' Report	5-10
Management Discussion and Analysis Report	11-12
Report on Corporate Governance	13-22
Auditors' Report	23-25
Balance Sheet	26
Profit and Loss Account	27
Schedules	28-34
Accounting Policies & Notes on Accounts	35-41
Cash Flow Statement	42-43

**COMPANY INFORMATION****BOARD OF DIRECTORS**

SHRI RADHESHYAM GOENKA	: CHAIRMAN & MANAGING DIRECTOR
SHRI AJAY GOENKA	: MANAGING DIRECTOR
SMT. SANGEETA GOENKA	: EXECUTIVE DIRECTOR
SHRI O.P.GOYAL	: WHOLE TIME DIRECTOR
SHRI MAHENDRA JINDAL	: INDEPENDENT DIRECTOR
SHRI C. M SHAH	: INDEPENDENT DIRECTOR
SHRI KALPESH OSWAL	: INDEPENDENT DIRECTOR
SHRI SHANKARLAL HEDA	: INDEPENDENT DIRECTOR

**COMPANY SECRETARY**

SMT. RUNEL RATHI

**AUDITORS**

PRAVIN M. SHAH & CO.  
CHARTERED ACCOUNTANTS  
AHMEDABAD.

**BANKERS**

1. INDIAN OVERSEAS BANK
2. CORPORATION BANK
3. UNION BANK OF INDIA
4. ALLAHABAD BANK

**REGISTERED OFFICE**

801, AVDHESH HOUSE,  
OPP. SHRI GOVIND GURUDWARA,  
SARKHEJ-GANDHINAGAR HIGHWAY,  
THALTEJ, AHMEDABAD-380 054  
Phone Nos: [079] 26855714, 26855716,  
Fax No.: [079] 26855712, email : mcote@vsnl.net  
Website : www.rainbowpapers.com

**WORKS**

**Paper & Board Division**  
1453, VILLAGE RAJPUR,  
TAL: KADI,  
DIST. MEHSANA  
NORTH GUJARAT

**Coating Division**  
1423, VILLAGE RAJPUR,  
TAL: KADI,  
DIST. MEHSANA  
NORTH GUJARAT

**REGISTRAR & SHARE TRANSFER AGENTS**

PINNACLE SHARES REGISTRY PRIVATE LIMITED,  
NEAR ASHOKA MILLS, NARODA ROAD,  
AHMEDABAD - 380 025  
Phone No. [079] 22204226, 22200338  
Fax No. [079] 22202963



## NOTICE

NOTICE is hereby given that the **TWENTY-FIRST** Annual General Meeting of the Members of M/s. RAINBOW PAPERS LIMITED will be held on Friday, the 21st September, 2007 at 2.00 p.m. at 8th Floor, Avdhesh House, Opp. Shri Govind Gurudwara, Sarkhej - Gandhinagar Highway, Thaltej, Ahmedabad- 380 054 to transact the following business.

**ORDINARY BUSINESS :**

- 1] To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2007 and Profit and Loss Account for the year ended on that date together with Directors' and the Auditors' Report thereon.
- 2] To declare Dividend for the year ended 31st March, 2007 on the Equity Shares of the Company.
- 3] To appoint a Director in place of Shri Kalpesh Oswal who retires by rotation and being eligible, offers himself for reappointment.
- 4] To appoint a Director in place of Shri O.P. Goyal who retires by rotation and being eligible, offers himself for reappointment.
- 5] To consider and if thought fit, to pass with or without modification, the following resolution as an Ordinary Resolution.  
"RESOLVED THAT pursuant to the provisions of Section 224 of the Companies Act, 1956, M/s. Pravin M. Shah & Co., Chartered Accountants be and are hereby appointed as Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting of the company at a remuneration to be decided mutually between the Audit Committee and the Board of Directors and Auditors plus reimbursement of out of pocket expenses as incurred."

**SPECIAL BUSINESS :**

- 6] To consider and if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution.  
"RESOLVED THAT in supersession of the ordinary resolution passed at the Annual General Meeting of the Company held on the 29th September, 2004 and in pursuance of the provisions of the Section 293 (1) (d) and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the Board of Directors of the Company to borrow, monies from time to time together with the monies already borrowed by the Company upto a limit of Rs. 500.00 crores (Rupees Five Hundred Crores Only), [exclusive of interest], in excess of aggregate of paid-up capital and free reserves [i.e reserves not set apart for any specific purpose] at any time for the purpose of the company [apart from temporary loans obtained from and/or to be obtained from the Company's bankers in the ordinary course of business] from the company's bankers or from any person or persons, firms, body corporate or financial institutions, by way of deposits, advances or other loans, whether unsecured or secured by mortgage, charge, hypothecation, or pledge of all or pledge of all or any of the company's assets and properties including the whole or substantially the whole of undertaking or undertakings of the company on such terms and conditions as the Board of Directors may deem fit, and that the consent be and is hereby given to the Board of Directors for executing if and when necessary such instruments and documents as they may deem fit for mortgage, charge, hypothecation or pledge or otherwise, in connection with the borrowings of the company.

By order of the Board of Directors

Place : Ahmedabad  
Date : 14th July, 2007

RUNEL RATHI  
Company Secretary

**NOTES :**

- 1] A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY OR PROXIES TO ATTEND AND VOTE, INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE PROXY FORM, IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- 2] Members / proxies should bring the Annual Report and Attendance Slip duly filled in for attending the meeting.
- 3] The Explanatory Statement in respect of Items No. 6 pursuant to Section 173 [2] of the Companies Act, 1956 is annexed herewith.
- 4] The Register of Members and the Share Transfer Books of the Company will remain closed from 14th September, 2007 to 21st September, 2007 (both days inclusive).
- 5] Members holding shares in physical form are requested to notify the change in addresses; their Pin code numbers, email addresses and telephone numbers, if any to the company at its Registered office or to M/s. Pinnacle Share Registry Pvt. Ltd - Registrar & Share Transfer Agents by quoting their folio numbers. Members holding shares in electronic mode may update such details with their respective Depository Participants. [DP]
- 6] Pursuant to Section 205 A of the Companies Act, 1956 read with Companies Unpaid Dividend (Transfer to General Revenue Account of the Central Government) Rules, 1978, all unclaimed dividends upto and including the dividend for the year ended March 31, 1997 were transferred within the prescribed time to the General Revenue Account of the Central Government. Members who have not encashed/claimed the dividend warrants for the said period are requested to approach the Registrar of Companies, Gujarat, CGO Complex, Opp. Rupal Park Society, Naranpura, Ahmedabad-380 013.

**Rainbow Papers Limited**

Members who have not yet encashed the dividend warrant (for the F.Y. 2002-2003 and thereafter are requested to make their claims to the company and may note that if the same are not claimed within a period of seven years from the date of the dividend warrant, the amount so unclaimed will be transferred to the Investor Education and Protection Fund [IEPF].

- 7] The dividend as recommended by the Board, if sanctioned at the meeting will be paid within 30 days from the date of Annual General Meeting to those members whose names stand registered on the Company's Register of Members :
- [a] as Beneficial owners as at the end of business on 14th September, 2007 as per the data to be furnished by M/s.Pinnacle Share Registry Pvt. Ltd in respect of the shares held in electronic form, and
- [b] as Members in the Register of Members of the Company after giving effect to valid share transfers in physical form lodged with the Company on or before 14th September, 2007.
- 8] Members of the Company who have multiple accounts in identical names or joint accounts in the same order are requested to send all the share certificates to the Registrar & Share Transfer Agents M/s.Pinnacle Share Registry Pvt. Ltd or to the Registered Office of the Company for consolidation of all such shareholdings into one account to facilitate better service.
- 9] Members desirous of obtaining any information concerning the Accounts and Operations of the Company are requested to address their questions to the Secretary of the Company so as to reach atleast seven days before the date of the meeting, so that the information may be made available at the meeting, to the best extent possible.
- 10] In terms of Clause 49 of the Listing Agreement with the Stock Exchange, a brief resume of the retiring Directors, who are proposed to be appointed/reappointed at this meeting is as under :

Name	Date of Birth	Date of Appointment	Qualification	Expertise	Name of Directorship in other Companies	Committee Membership
1. Kalpesh Oswal	26.05.1980	29.03.2005	MBA	Specialization in Finance	Oswal Shares & Securities Ltd Javerlal Oswal Commodities Pvt. Ltd	NIL
2. O. P. Goyal	09.03.1945	30.07.2002	Company Secretary	Professional	Member-Audit Committee	NIL

**By order of the Board of Directors**

Place : Ahmedabad  
Date : 14th July, 2007

**RUNEL RATHI**  
Company Secretary

**EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.**

**ITEM NO. 6:**

Under the provisions of Section 293 (1) (d) of the Companies Act, the Board of Directors of a company cannot, except with the consent of the company in general meeting, borrow moneys, apart from temporary loans obtained from the company's bankers in the ordinary course of business, in excess of the aggregate of the paid-up capital and free reserves of the Company, that is to say, reserves not set apart for any specific purpose.

At the Annual General Meeting of the Company held on 29th day of September, 2004, the shareholders had accorded its consent under Section 293 (1) (d) of the Companies Act, 1956, to the Board of Directors to borrow money taking into account the future requirements of finance that may be required for any expansion programmes taken by the Company and for part financing any increase in working capital requirements of the company. A fresh resolution is proposed to increase the said limit of borrowings by the Board of Directors upto Rs.500.00 Crores.

Hence the Board of Directors recommend this resolution for your consent. None of the Directors of the Company is in any way concerned or interested in this resolution.

**By order of the Board of Directors**

Place : Ahmedabad  
Date : 14th July, 2007

**RUNEL RATHI**  
Company Secretary

## DIRECTORS' REPORT

To,  
The Members,  
RAINBOW PAPERS LIMITED,  
AHMEDABAD

Your Directors have pleasure in presenting the 21st Annual Report on the business and operations of the Company together with Audited Accounts for the year ended 31st March, 2007.

## 1. FINANCIAL HIGHLIGHTS

Your company's performance for the financial year 2006-07 is summarized below:

FINANCIAL RESULTS	2006-07 (Rs.)	2005-06 (Rs.)
Profit before Depreciation, Interest & Tax	27,43,75,309	18,32,47,588
<b>Depreciation</b>	<b>10,08,66,613</b>	7,41,55,548
Profit before Interest & Tax	17,35,08,696	10,90,92,040
<b>Interest</b>	<b>3,79,02,663</b>	3,54,16,330
Profit before Tax	13,56,06,033	7,36,75,710
<b>Taxation: Current Tax</b>	<b>1,60,00,000</b>	62,00,000
<b>Fringe Benefit Tax</b>	<b>4,67,000</b>	2,60,000
<b>Wealth Tax</b>	<b>22,500</b>	—
<b>Deferred Tax</b>	<b>4,27,00,674</b>	93,21,862
<b>MAT Credit Entitlement</b>	<b>(62,81,900)</b>	—
NET PROFIT AFTER TAXATION	8,26,97,759	5,78,93,848
<b>Add/(Less): Provisions not required, hence written back(Net)</b>	<b>(1,00,136)</b>	12,30,798
<b>Less: Prior Period Adjustment (Net)</b>	<b>1,10,159</b>	22,248
BALANCE PROFIT FOR THE YEAR	8,24,87,464	5,91,02,398
<b>Add: Balance brought forward</b>	<b>9,19,42,803</b>	6,28,18,505
NET SURPLUS AVAILABLE FOR APPROPRIATION	17,44,30,267	12,19,20,903
<b>Proposed Dividend</b>	<b>87,50,800</b>	87,50,800
<b>Tax on Proposed Dividend</b>	<b>14,87,198</b>	12,27,300
<b>Transfer to General Reserve</b>	<b>1,00,00,000</b>	2,00,00,000
<b>Surplus carried forward to Balance Sheet</b>	<b>15,41,92,268</b>	9,19,42,803

## 2. DIVIDEND

Your Directors are pleased to recommend a Dividend @ 16 % on the Paid-up Equity Share Capital of the Company for the year ended 31st March 2007. The Dividend, if approved at the Annual General Meeting of the Company, will be paid to those shareholders whose name appears on the Register of Members as on the date of book closure i.e 14th September, 2007

The total payout on dividend (including Corporate dividend tax thereon of Rs.14,87,198/- will be Rs. 1,02,37,998/- as compared to the total payout of Rs. 99,78,100/- in the previous year.

## 3. REVIEW OF OPERATIONS

During the year under review, the total turnover of the Company has increased from Rs. 143.75 Crores in the previous year to Rs. 179.96 Crores in the current year.

The Net Profit earned during the year is Rs. 826.97 lacs after making provision for taxation of Rs. 529.08 lacs, depreciation of Rs. 100.87 lacs, interest of Rs. 379.03 lacs, in comparison with the Net Profit of previous year which was recorded to be Rs. 578.94 lacs and the provision made for taxation Rs. 157.82 lacs, depreciation of Rs. 741.56 lacs and interest were Rs. 354.16 lacs respectively. During the year under review, a balance of Rs. 1541.92 lacs has been carried forward to Balance Sheet after transferring Rs. 100.00 lacs to general reserve. With the ongoing expansions and increasing turnover the profitability position of the Company is likely to increase substantially.

## 4. STATUS OF MODERNISATION AND EXPANSION PROGRAMME

During the year under review, your Company has taken up the expansion programme which mainly consisted of installing of 150 tonnes per day of writing paper machine and installation of 10MW Captive power plant to generate required electricity for production. However, in view of the company's proposed plan of acquisition of entire paper machine from M.D. Papier, Dachau (Germany), the Company has dropped its plan of purchasing paper machine having capacity of 150 tonnes per day. The production capacity of the proposed paper plant would be 550 tonnes per day and therefore it is not feasible to install machine with lesser capacity. The expansion programme relating to captive power plant of 10MW is running as per the scheduled target and would commence production by January 2008.

## Rainbow Papers Limited

### 5. PROPOSED EXPANSION PROGRAMME

Your company has negotiated and concluded a deal to acquire paper plant from M/s. M.D. Papier, Dachau (Germany), which consists of two paper machines with online coating facilities and one coating machine. Your management had deputed a technical team to assess the working of the aforesaid plant at Dachau and the same was found in excellent condition having all latest technical facilities.

The proposed expansion shall be carried out in two phases i.e 1st phase will be completed by March, 2008 and the 2nd phase by September, 2008.

With the completion of the said project, the Company would be in a position to manufacture writing and printing paper of different varieties which is in high demand and also have good profit margins.

The proposed expansion i.e 1st phase will have an capital outlay of Rs. 169.00 crores. The company has arranged required term loan of Rs. 83.00 crores from the Banks to meet the part expenditure of the said expansion

### 6. PREFERENTIAL ALLOTMENT OF CONVERTIBLE WARRANTS

With a view to meet the long term requirement of finance for carrying out the expansion, your Company came out with a preferential issue of Convertible Warrants (convertible into equity shares) to the tune of 20,00,000 convertible warrants convertible into equivalent number of equity shares at an issue price of Rs. 105/- which included premium of Rs. 95/-. The holder of the warrants have an option to apply and be allotted one equity share of the Company per warrant on or before 10th October, 2007.

As on 31st March, 2007, the company has received an amount of Rs. 3.11 crores towards convertible warrants. However, the company has accounted for gross amount of Rs. 21 crores as convertible warrants and the balance amount i.e. Rs. 17.88 crores is outstanding shown under the head Loans and Advances in the Balance Sheet. The details of same are given in notes to Accounts which is self explanatory.

With the conversion of said warrants into equity Capital, the paid up equity capital of the company would enhance to Rs. 7.47 crores.

### 7. DIRECTORS

At the ensuing Annual General Meeting, Shri O.P. Goyal and Shri Kalpesh Oswal will retire by rotation and being eligible, offer themselves for reappointment in terms of provisions of Articles of Association of the Company.

A brief resume/details relating to Directors who are reappointed is furnished in the Notes to the Notice of the ensuing Annual General Meeting.

### 8. FIXED DEPOSITS

During the reporting year, your Company has not accepted any deposits under Sec. 58A and 58AA of the Companies Act, 1956 read with the Companies (Acceptance of Deposits) Rules, 1975

### 9. INSURANCE

Your Company has taken adequate insurance of all its existing properties including Plant & Machinery, Building, Stocks etc.

### 10. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirements under Sub section 2AA of Section 217 of the Companies Act, 1956, with respect to the Directors Responsibility Statement, it is hereby confirmed:-

- (1) that in the preparation of Annual Accounts, the applicable accounting standards have been followed along with the proper explanation relating to material departures, if any.
- (2) that the Directors have selected such accounting policies and applied them consistently and made judgment and estimates that are reasonable and prudent so as to give true and fair view of the state of affairs of the Company at the end of the Financial Year and of the Profit of the Company for that period.
- (3) that the Directors to the best of their knowledge and ability have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- (4) that the Annual Accounts have been prepared on a "going concern basis".

### 11. AWARDS AND RECOGNISATION

Your Directors have great pleasure in informing that your company has been declared as the 2nd largest importer at ICD, Sabarmati, Ahmedabad for the year 2006-07 for the third consecutive year by M/s. Container Corporation of India Limited (CONCOR). During the year under review, your company had imported 21204.71 MT of waste paper of various grades and varieties from various countries such as U.A.E., USA, Europe, France etc.

### 12. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars as prescribed under section 217 [I] (e) of the Companies Act, 1956 read with Rule 2 of the Companies [Disclosure of particulars in the Report of Board of Directors] Rules, 1988 regarding conservation of energy, technology absorption, foreign exchange-earnings and outgo are given in Annexure 'A' forming part of this Report.



**13. PARTICULARS OF EMPLOYEES**

The information required as per sub-section (2A) of Section 217 of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1988 as amended and forming part of the Directors' Report for the year ended 31st March 2007 is NIL.

**14. CORPORATE GOVERNANCE**

It has always been the Company's endeavour to excel through better corporate governance, fair and transparent practices.

Pursuant to Clause 49 of the Listing Agreement, a Management Discussion and Analysis Report and a Report on Corporate Governance are given as Annexure to this Report.

A certificate from the Statutory Auditors of the Company regarding the compliance by the company of the conditions stipulated under Clause 49 of the Listing Agreement is attached to this Report.

**15. INFORMATION TECHNOLOGY**

Your company is under process of implementation of its ERP package and is hopeful of its completion in the current year. This system is not only meant for integrated and computerized financial accounting system but also a complete consolidation of various processes and functions into one single large unit instead of various departments which is supported by the in-built controls, ensuring complete accuracy with speed.

As with the case of every ERP implementation, there are bound to be minor issues but it was the commitment and enthusiasm of every single person of the company which helped make the system stable. After integration of major functions, the company is actively pursuing development of workflows within the organization that can work with control mechanism built into the ERP System.

**16. HEALTH, SAFETY, SECURITY & ENVIRONMENT**

Health, Safety, Security and Environment is a core value for your company and is an integral part of any business decision. Hazard identification and risk assessments have been carried out with plant personnel to increase their involvement. Safety professionals in the Company are being trained so that they can impart their knowledge to others and increase awareness in the plant.

**17. ISO CERTIFICATION**

During the year under review, your Company has received certification of Quality Management System – ISO 9001:2000, Environmental Management System (ISO 14001:2004) and Occupational Health and Safety Assessment Standard (OHSAS – 18001-1999).

These certifications are testimony of the management commitment and employee involvement towards continual improvement of health, safety, security aspects of the plant operations.

**18. AVAILMENT OF LOANS FROM BANKS**

During the year under review, your company has approached the consortium Bankers for enhancement in Limits as under:-

Additional Working Capital : Rs. 350 lacs

Additional Term Loan : Rs.5530 lacs

Your Company made repayments of Terms Loans as per the terms of sanction and has repaid Rs. 849.89 lacs to both the bankers during the year under review.

To meet the capital expenditure required in the proposed acquisition of paper plant from M/s.M.D. Papier, Dachau, Germany, the company has received sanction of loan of Rs. 83.00 crores. The company has also induced new bankers i.e Union Bank of India, Allahabad Bank as consortium members

**19. DEMATERIALISATION**

The shares of the Company are in compulsory demat segment and are available for trading in the depository system of both National Securities Depository Ltd (NSDL) and the Central Depository Services India Ltd (CDSL). As on 31st March, 2007, 3103759 number of equity shares forming 56.75% of the equity share capital of the Company stands dematerialized.

**20. LISTING OF SHARES**

The equity shares of the company continue to be listed on the Bombay Stock Exchange Ltd, (BSE) and the Ahmedabad Stock Exchange Ltd (ASE). The Bombay Stock Exchange Ltd has nation wide terminal and therefore, shareholders/ investors are not facing any difficulty in trading in the shares of the Company from any part of the country.

The Company has paid annual listing fees for financial year 2007-2008 to BSE and ASE and annual custody fees to National Securities Depository Ltd. and Central Depository Services (India) Ltd.



**Rainbow Papers Limited****21. AUDITORS AND AUDITORS' REPORT**

M/s. Pravin M. Shah & Co. statutory auditors of the Company retire at the end of the forthcoming Annual General Meeting and being eligible, offer themselves for reappointment. The Audit committee and Board of Directors recommends their reappointment at the ensuing Annual General Meeting. The company has received written confirmation that their appointment will be within the limits specified in Section 224 (1) (B) of the Companies Act, 1956. The notes to the Accounts referred to in the Auditors' Report are self explanatory and therefore do not call for any further explanation under Section 217 (3) of the Companies Act, 1956.

**22. COST AUDITORS**

The Board of Directors appointed M/s V. H. Shah & Co., Cost Accountants, to conduct the cost audit for the financial year 2007-2008, and received the approval of the Central Government.

**23. INDUSTRIAL RELATIONS**

The relations between the Company and its employees continued to be cordial and harmonious throughout the year under review. Your company has taken adequate steps for the health and safety of its employees.

**24. ACKNOWLEDGEMENT**

The Board of Directors appreciate the devoted services of the workes, staff, executives who have contributed to the efficient management of the affairs of the Company. Your directors place on record their gratitude to the Company's Bankers, Customers, Suppliers and Shareholders for their continued co-operation and support.

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

Place : Ahmedabad  
Date : 14th July, 2007

**(AJAY GOENKA)**  
Managing Director

**Declaration:**

The Board of Directors of the Company have approved and adopted code of conduct for the Directors and Senior Management personnel. I hereby declare to the best of my knowledge and belief that, the all the Board members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the current year.

Place : Ahmedabad  
Date : 14th July, 2007

**O.P. Goyal**  
Whole Time Director

**ANNEXURE - A**

**ADDITIONAL INFORMATION AS REQUIRED UNDER SECTION 217(1) (e) OF THE COMPANIES ACT, 1956 AND THE COMPANIES (DISCLOSURES IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988.**

**CONSERVATION OF ENERGY:**

1. Energy Conservation Measures Taken	1. The Company is running smoothly its own 5 MW Co-generation thermal based Captive Power Plant.
	2. Intensive, energy, conservation measures were taken such as incorporation of VFDs and use of High efficiency Electric Motors, Invertors and other Energy saving Equipments.
	3. The Company has arranged motivation and training programme in association with various manufacturers and vendors of bearings, motor, VFD for intensive energy and conservation awareness to the staff and workers. The company has undertaken measures for balancing mechanical parts for smooth functioning.
2. Additional Investment & Proposal, if any, being implemented for reduction of consumption of energy.	The company proposes to install 10 MW thermal based Captive power plant.
3. Impact of measures at (1) & (2) above for the reduction of energy consumption and consequent impact on the cost of production of goods.	The proposed Installation of 10 MW Co-generation Captive Power Plant will result in substantial reduction in the Energy Cost. The high efficiency electric motors have reduced the wear and tear of motors hence bringing down the operational cost.
4. Total Energy Consumption and Energy Consumption per unit of Production.	Please see Form - A annexed herewith.

**FORM A**  
(See Rule 2)

**FORM FOR DISCLOSURE OF PARTICULARS WITH RESPECT TO CONSERVATION OF ENERGY**

	<b>TOTAL</b>	
	<b>2006-07</b>	<b>2005-06</b>
<b>Power &amp; Fuel Consumption :</b>		
<b>1. Electricity</b>		
<b>(a) Purchased</b>		
Units (kwh)	<b>5789571</b>	<b>2475322</b>
Total Amount (Rs.)	<b>31634223</b>	<b>12747496</b>
Rate / Unit (Rs.)	<b>5.46</b>	<b>5.15</b>
<b>(b) Own Generation</b>		
<b>(i) Through Diesel Generator</b>		
Units	<b>16228</b>	<b>70608</b>
Units per ltr. Of Diesel Oil	<b>2.94</b>	<b>2.94</b>
Cost/Unit (Rs.)	<b>9.45</b>	<b>9.45</b>
<b>(ii) Through Turbine</b>		
Units	<b>40570690</b>	<b>33968870</b>
Units per tonne of Lignite/coal	<b>1111.10</b>	<b>1023.31</b>
Cost/Unit (Rs.)	<b>1.63</b>	<b>1.57</b>
<b>2. Coal</b>		
<b>(i) For Power Generation</b>		
Quantity (Tons)	<b>35514</b>	<b>33195</b>
Total Cost (Rs.)	<b>66074346</b>	<b>53210255</b>
Average Rate (Rs.)	<b>1809.56</b>	<b>1602.96</b>
<b>(ii) For Steam Generation</b>		
Quantity (Tons)	<b>41565</b>	<b>37676</b>
Total Cost (Rs.)	<b>73321478</b>	<b>59118739</b>
Average Rate (Rs.)	<b>1764.02</b>	<b>1569.14</b>
<b>Consumption per Unit of Production:</b>		
Product Unit	<b>74747.87</b>	<b>61930.69</b>
Electricity (Kwh/Tons)	<b>593.38</b>	<b>556.94</b>
Steam Coal ( Kgs./Tons)	<b>630.73</b>	<b>664.46</b>

(Previous year's figures have been modified, rearranged and regrouped wherever necessary)