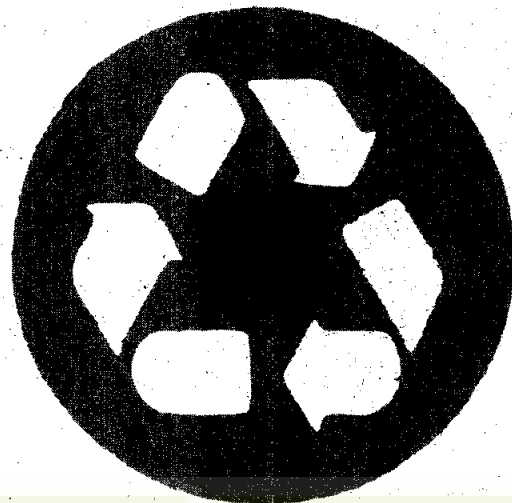


RAMA NEWSPRINT AND PAPERS LIMITED



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**11TH
ANNUAL REPORT 2001-2002**

RAMA NEWSPRINT AND PAPERS LIMITED**Board of Directors**

| | |
|----------------------|--------------------------------|
| Vashu J. Ramsinghani | Chairman and Managing Director |
| Srichand Agicha | |
| Ajeet Prasad | (UTI Nominee) |
| Sanjay Maheshka | (ICICI Nominee) |
| Parshottam Kukreja | |
| Ramesh Narang | |
| S.C. Bhargava | (Whole-time Director) |
| S.S. Mande | (Whole-time Director) |

Senior Management Executives

| | |
|----------------------|---------------------------------------|
| Vashu J. Ramsinghani | Chairman and Managing Director |
| S. C. Bhargava | Resident Director |
| S. S. Mande | Director - Corporate Development |
| C. U. Mangtani | Sr. Vice President - Administration |
| C. L. Gupta | Vice President - Purchase & Materials |

Auditors

Haribhakti & Co.

Solicitors

Crawford Bayley & Co.

BankersBank of India
Oriental Bank of Commerce**Registered Office & Factory**Village Barbodhan, Taluka Olpad,
District Surat, Gujarat - 395 005.**Corporate Office**181-B, Maker Tower 'E',
Cuffe Parade,
Mumbai - 400 005.**Registrars & Transfer Agents**MCS Ltd.
Sri Venkatesh Bhavan
Plot No. 27, Road No. 11,
MIDC Area, Andheri (E),
Mumbai - 400 093.

This Annual Report has been printed on paper Manufactured by RNPL

ANNUAL REPORT 2001 - 2002

NOTICE

NOTICE IS HEREBY GIVEN THAT THE ELEVENTH ANNUAL GENERAL MEETING OF THE MEMBERS OF RAMA NEWSPRINT AND PAPERS LIMITED will be held on Saturday, the 28th September, 2002 at 10:30 a.m. at the Registered Office of the Company situated at Village Barbodhan, Taluka Olpad, District Surat, Gujarat, to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Balance Sheet as at 31st March, 2002, Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. Mr. Ramesh Narang, who retires by rotation at the ensuing Annual General Meeting and being disqualified under Section 274(1)(g) vacates his office of Director.
3. Mr. S.S. Mande, who retires by rotation at the ensuing Annual General Meeting and being disqualified under Section 274(1)(g) vacates his office of Director.
4. To appoint Auditors of the Company to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting with authority to the Board of Directors of the Company to fix their remuneration.

SPECIAL BUSINESS

5. To consider and, if thought fit, to pass, with or without modification, the following resolution as an **Ordinary Resolution** :

"RESOLVED THAT Mr. Srichand Agicha, an Additional Director of the Company who, under Section 260 of the Companies Act, 1956, holds office only upto the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing under Section 257 of the said Act, proposing his candidature for the office of the Director, be and is hereby appointed as a Director of the Company."
6. To consider and, if thought fit, to pass, with or without modification, the following resolutions as an **Ordinary Resolution** :

"RESOLVED THAT pursuant to the provisions of Section 94 and all other applicable provisions, of the Companies Act, 1956, enabling provisions in the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with the Stock Exchanges where the shares of the Company are listed and such other approvals, sanctions and permission as may be necessary, the Authorised Share Capital of the Company be and is hereby increased from Rs. 2,27,00,00,000 (Rupees Two Hundred Twenty Seven Crores Only) divided into 22,70,00,000 (Twenty Two Crores Seventy Lacs) Ordinary Shares of Rs. 10/- each to Rs. 2,33,00,00,000 (Rupees Two Hundred Thirty Three Crores Only) divided into 23,30,00,000 (Twenty Three Crores Thirty Lacs) Ordinary Shares of Rs. 10/- each."
7. To consider and, if thought fit, to pass, with or without modification, the following resolution as a **Special Resolution** :

"RESOLVED THAT pursuant to the provisions of Section 31(1) of the Companies Act, 1956, the existing Article 4 of the Articles of Association of the Company be and is hereby substituted by the following Article :

"4. The Authorised Share Capital of the Company is Rs. 2,33,00,00,000 (Rupees Two Hundred Thirty Three Crores Only)

divided into 23,30,00,000 (Twenty Three Crores Thirty Lacs) Ordinary Shares of Rs. 10/- each."

By Order of the Board
For RAMA NEWSPRINT AND PAPERS LIMITED

VASHU J. RAMSINGHANI
CHAIRMAN & MANAGING DIRECTOR

Mumbai, 9th August, 2002

Registered Office :
Village Barbodhan, Taluka Olpad,
District Surat, Gujarat - 395 005.

NOTES :

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER.
2. Proxies in order to be effective must be received by the Company not less than 48 hours before the commencement of the Meeting.
3. The Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 is annexed hereto.
4. The Register of Members and Share Transfer Books of the Company shall remain closed from Monday, the 16th September, 2002 to Saturday, the 28th September, 2002 (both days inclusive).
5. Members are requested to notify immediately any change in their Registered Address to the Company's Registrar, MCS Limited, Sri Venkatesh Bhavan, Plot No. 27, Road No. 11, MIDC Area, Andheri (East), Mumbai - 400 093.
6. Members, who hold shares in de-materialised form are requested to bring their Client ID and DP ID Nos. for easier identification of attendance at the Meeting.
7. Shareholders seeking any information with regard to the Accounts are requested to write to the Company at an early date to enable the Management to keep the information ready.
8. The documents referred to in this Notice / Explanatory Statement are open for inspection by any Member at the Registered Office of the Company during the Company's business hours on any working day upto the date of the Annual General Meeting and will also be available for inspection at the Meeting.
9. Investors / Shareholders are requested to kindly note that if physical documents viz. Demat Request Forms (DRF) and Share Certificates etc. are not received from their DPs by the Registrar within a period of 15 days from the date of generation of the DRN for dematerialisation, the DRN will be treated as rejected/cancelled. This step is being taken on the advice of National Securities Depository Limited (NSDL), so that no demat request remains pending beyond a period of 30 days. Upon rejection / cancellation of the DRN, a fresh DRF has to be forwarded along with the Share Certificates by the DPs to the Registrar. This note is only to caution Investors/Shareholders that they should ensure that their DPs do not delay in sending the DRF and Share Certificates to the Registrar after generating the DRN.

ANNEXURE TO NOTICE



EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956.

ITEM NO. 5

Mr. Srichand Agicha was appointed by the Board of Directors as an Additional Director with effect from 12th December, 2001. Under Section 260 of the Companies Act, 1956, Mr. Srichand Agicha holds office only upto the date of this Annual General Meeting. The Company has received a notice in writing under Section 257 of the Companies Act, 1956, along with a deposit of Rs. 500/- from a member signifying his intention to propose the name of Mr. Srichand Agicha, as a candidate for the office of Director. Mr. Srichand Agicha, aged 42 years, has more than 20 years of enriched experience in International and National trade and is specialised in Timber and Plywood and also in real estate development. He is an active member of Chemical and Allied Export Promotion Council, Indo American Chamber of Commerce and Indian Merchants Chamber.

Your Directors are of the view that his appointment will be in the interest of the Company and its shareholders.

Mr. Srichand Agicha may be deemed to be concerned or interested in the resolution. None of the other Directors of the Company is in any way concerned or interested in the resolution.

ITEM NO. 6 & 7

The present Authorised Share Capital of the Company is Rs. 2,27,00,00,000 divided into 22,70,00,000 Equity Shares of Rs. 10/- each. The Company may have to allot Equity Shares to the lending institutions in case they decide to convert a part of their loans and outstanding interest into Equity in terms of the Loan Agreements entered into by the Company with them. Accordingly in order to enable the Company to issue and allot Equity Shares to the institutions as and when necessary, it is proposed

to increase the Authorised Equity Share Capital by Rs. 6,00,00,000 (Rupees Six Crores only) divided into 60,00,000 (Sixty Lacs) Equity Shares of Rs. 10/- each.

The Special Resolution set out at Item No. 7 seeking to amend the relevant Article to reflect the revised Authorised Share Capital is of a consequential nature.

In view of the above, the sanction of the Members is requested for the increase in the Authorised Share Capital and for the consequential amendment of the Articles of Association, as proposed.

A copy of the existing Memorandum and Articles of Association of the Company together with a copy of the proposed alteration is open for inspection at the Registered Office of the Company between 10:30 a.m. and 1:00 p.m. on all working days (except Saturdays) prior to the date of the ensuing Meeting and will also be available for inspection at the Meeting.

None of the Directors is in any way concerned or interested in the Resolutions.

By Order of the Board
For RAMA NEWSPRINT AND PAPERS LIMITED

VASHU J. RAMSINGHANI
CHAIRMAN & MANAGING DIRECTOR

Mumbai, 9th August, 2002

Registered Office :
Village Barbodhan, Taluka Olpad,
District Surat, Gujarat - 395 005.

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DIRECTORS' REPORT

The Members

RAMA NEWSPRINT AND PAPERS LIMITED

Your Directors are pleased to present the Eleventh Annual Report and the Audited Statement of Accounts for the year ended 31st March, 2002. The year in retrospect was characterised by global economic slow down with sluggishness and recession in domestic economy. The situation was further compounded by disturbances arising out of terrorist attack, cross border tensions, disturbances / riots in the state of Gujarat. Your company endeavoured to face these challenges but suffered a set back in Newsprint business mainly due to substantial reduction in newsprint prices in the international market and dumping of newsprint in our country at very low prices. In the context of such adverse circumstances, your company was able to manage to earn only cash profit.

FINANCIAL RESULTS

| | Year Ended 31.03.2002 | (Rs. in lakhs) Year Ended 31.03.2001 |
|---|--------------------------|--|
| Sales | 19997.22 | 28052.36 |
| Other Income | 483.77 | 346.89 |
| Profit before Interest and Depreciation | 2809.70 | 6467.87 |
| Interest | 2026.07 | 1924.00 |
| Profit before Depreciation and Tax | 783.63 | 4543.87 |
| Depreciation | 3045.42 | 3033.61 |
| Tax - Current | --- | --- |
| - Deferred Tax Asset | 807.45 | --- |
| Net Profit / (Loss) | (1454.34) | 1510.26 |

PERFORMANCE OF THE COMPANY AND ITS OPERATIONS

During the year, the Company has achieved total sales of Rs. 19997.22 lacs as compared to Rs. 28052.36 lacs in 2000-01 resulting in decline in sales by 29%. This was mainly due to lower selling prices of newsprint apart from reduction in volume. This resulted in net loss of Rs. 1454.34 lacs as against net profit of Rs. 1510.26 lacs made during the previous year.

The Company's total production in the year under review was 85136 MTs as compared to 109980 MTs, down by 23%. The main reason for reduction in production was high level of stock of Newsprint.

EXPORTS

During the year the Company's exports have increased substantially and it has achieved exports of Rs. 968.75 lacs, as compared to Rs. 26.26 lacs during the year ended 31st March, 2001. This is one of the major achievement for the Company. The Company expects the exports to grow further in years to come.

CURRENT YEAR AND FUTURE PROSPECTS

During the current year the prices of Newsprint continued to be under pressure in the international market and consequently in the domestic market. During the quarter ended 30th June, 2002, net sales is lower at Rs. 4,673.40 lacs, as compared to Rs. 6,847.99 lacs during the corresponding first quarter of previous year. However, as the pulp prices in the international market have started increasing demand and prices for newsprint are expected to substantially improve from third quarter of the current financial year. Further to ward off the problem of dumping of newsprint at low prices, the Company has diverted part of its production capacity to writing & printing and other varieties of papers for higher sales realisation and better capacity utilisation. Your Directors are hopeful that with these steps, barring unforeseen circumstances, the company will perform better in years to come.

DIRECTORS

In accordance with the provisions of the Companies Act, 1956, Mr. Ramesh Narang and Mr. S.S. Mande, Directors of the Company, retire by rotation at the ensuing Annual General Meeting being disqualified under Section 274(1)(g) of the Companies Act, 1956, vacate the office of Directorship.

During the year, ICICI withdrew its Nominee Director, Mr. Sanjay Maheshka but subsequently re-appointed him from 29.04.2002.

Mrs. Manju V. Ramsinghani, resigned as Director with effect from November 28, 2001. She has been associated with the company since its inception. Mr. H. K. Khan resigned as Director with effect from December 3, 2001, who has been associated with company since 1992. Mr. N.S. Sadawarte, resigned as Director with effect from December 12, 2001. Mr. Manohar Agicha, resigned as Director with effect from December 12, 2001, who has been associated with the Company since 1992. Mr. Mahendra Doshi, who was appointed on 31st July, 2001 resigned as Director with effect from December 12, 2001. The Directors placed on record their deep appreciation of the valuable contribution made by Mrs. Manju V. Ramsinghani, Mr. H.K. Khan, Mr. N.S. Sadawarte, Mr. Manohar Agicha and Mr. Mahendra Doshi.

DIRECTORS' RESPONSIBILITY STATEMENT PURSUANT TO SECTION 217 (2AA) OF THE COMPANIES ACT, 1956.

The Directors hereby confirm :-

- that in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- that 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 loss of the company for the year under review;
- that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- that the directors had prepared the annual accounts on a going concern basis.

CORPORATE GOVERNANCE

Corporate Governance and Management Discussion and Analysis Reports are set out as separate Annexure II to this Report.

ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars with respect to Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo as required under Section 217(1)(e) of the Companies Act, 1956 read with Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are furnished as Annexure - 1 to this Report.

PARTICULARS OF EMPLOYEES

No employee was in receipt of remuneration as required to be disclosed in accordance with Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975.

AUDITORS

The present Auditors of your Company, M/s. Haribhakti & Co., Chartered Accountants hold office until the conclusion of this Annual General Meeting and being eligible offer themselves for re-appointment.

COST AUDITORS

The cost accounts records maintained by your company are subject to yearly audit by the qualified Cost Auditors. Your Company has appointed Mr. Mahendra T. Kampani, a qualified Cost Auditors firm for conducting the audit of cost account records for the financial year 2001 - 2002.

ACKNOWLEDGEMENT

The Directors place on record their sincere appreciation of the unstinted co-operation received during the year under review from the Central Government, the Gujarat Government, Financial Institutions, Banks, Shareholders, Executives and Employees at all levels and look forward to their continued support and co-operation.

By Order of the Board

VASHU J. RAMSINGHANI
CHAIRMAN & MANAGING DIRECTOR

Place : Mumbai
Date : 9th August, 2002

ANNEXURE TO DIRECTORS' REPORT



ANNEXURE - I

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 31ST MARCH, 2002.

A. CONSERVATION OF ENERGY :

a) Energy Conservation measures taken :

Following measures have been taken for Energy Conservation.

1. Efforts were made to increase the own co-generation of power through generation and due to various measures taken, use of own generated power increased to 94% from 84% in previous year.
2. Detailed study and technical audit was carried out for compressed air, steam, pumps and motors. Based upon this, necessary modifications were carried out to save energy.
3. Some of the energy savings steps carried out are
 - i. Installation of additional LT Capacitors
 - ii. Switching off some transformers by shifting load to other units.
 - iii. Changing of old Motors with higher efficiency motors of lower rating.
 - iv. Installation of inverter units.
 - v. After completion of studies on vacuum system, one vacuum pump was shut off to save power.
4. Operation of own generation T.G. sets at lower frequency to reduce cost of own generation.

b) Additional Investment and proposals for Conservation of Energy :

1. It is proposed to Install new 23 MW T.G. set to reduce steam required for generation of own power thereby achieving lower cost per unit of generated power.
2. Study on requirement of steam and condensate system modifications is carried out and the implementation will help to reduce the steam consumption per ton of paper.

c) Impact of the measures (a) & (b) above :

The above measures taken by the Company will help to reduce cost of production in long run.

The efforts have controlled the cost of generation of own power, average cost of own power was stable at 2.72 per unit, same as of previous year, even though average coal prices increased from Rs. 2,200 per M.T. to Rs. 2,360 per M.T.

d) Total energy consumption and energy consumption per unit of production as per Form - A.

Form - A enclosed.

B. TECHNOLOGY ABSORPTION :

Efforts made in Technology Absorption as per Form - B enclosed.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO :

| | (Rs. In lacs) | |
|---------------------------------------|---------------|---------------|
| | Current year | Previous year |
| a. Foreign Exchange earning & outgo : | | |
| Foreign Exchange earnings | 968.75 | 26.26 |
| Foreign Exchange used | 3562.40 | 6116.37 |

FORM - A

Form of Disclosure of Particulars with respect to Conservation of Energy.

| | YEAR ENDED 31.03.2002 | YEAR ENDED 31.03.2001 |
|--------------------------------------|--------------------------|--------------------------|
| A] Power and Fuel Consumption | | |
| 1. Electricity | | |
| a) Purchased | | |
| - units (KWH in Thousand) | 6375 | 19978 |
| - Total Amount (Rs. Lacs) | 549.37 | 1083.59 |
| - Rate / unit (Rs.) | 8.62 | 5.42 |
| b) Own Generation | | |
| i) Through Diesel Generator | | |
| - Units (KWH in Thousand) | 17 | 5 |
| - Unit per litre of Diesel/Oil | 2.55 | 2.22 |
| - Rate / unit (Rs.) | 6.20 | 5.25 |
| ii) Through Steam Turbine/Generator | | |
| - Units (KWH in Thousand) | 99324 | 103648 |
| - Rate / unit (Rs.) | 2.72* | 2.72* |
| 2. Coal | | |
| - Quantity (Mts) | 112702 | 118037 |
| - Total Cost (Rs. In lacs) | 2660.13 | 2596.34 |
| - Average rate (Rs. Per MT) | 2360 | 2200 |
| 3. Furnace Oil | | |
| - Quantity (K. Ltrs) | 366 | 2150 |
| - Total Amount (Rs. In lacs) | 37.50 | 220.10 |
| - Average Rate (Rs. Per K. Ltrs) | 10236 | 10237 |
| 4. Other / Internal Generation | | |
| - Quantity | — | — |
| - Total Cost | — | — |
| - Rate / unit | — | — |

B] Consumption per MT of production of Newsprint/ Writing and Printing Paper.

| | Current Year | Previous Year |
|-------------------|--------------|---------------|
| Electricity (KWH) | 1242 | 1124 |
| Furnace Oil (Ltr) | 4.30* | 20* |
| Coal (Kgs.) | 1323* | 1073* |

* This includes the Furnace Oil / Coal for own generation of power and steam for process.

FORM - B

Form for disclosure of particulars with respect to Technology Absorption.

RESEARCH & DEVELOPMENT (R & D)

- a) Studies on new schemes to increase the recycled water utilisation to reduce water consumption & some modification were carried out successfully.
- b) Development of side disc for packing reels from Effluent Sludge.
- c) Optimisation of process parameters to reduce chemicals consumption to reduce cost of production.
- d) Studies on various chemicals additives to improve coal combustion and efficiency of boiler.
- e) Development of retention aid & alkaline sizing.

TECHNOLOGY ABSORPTION, ADOPTION AND INNOVATION :

- a) Efforts in brief made towards technology absorption, adoption and innovation.
 - i) Replacement of some imported chemicals and spare parts by indigenous equipments through joint development with indigenous suppliers.
 - ii) Standardisation of parameters to facilitate use of locally available raw materials and cheaper varieties of waste paper.
 - iii) Studies and production of bleached writing and printing varieties from recycled fibre on a continuous basis was established during the year.
- b) Benefits derived as a result of above efforts.
 - i) Improvement in quality and reduction in cost per ton of paper.
 - ii) Easy availability / cost reduction of spares and chemicals.
 - iii) Improved varieties of writing & printing paper were well received in the market.

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ANNEXURE TO DIRECTORS' REPORT

ANNEXURE - II

CORPORATE GOVERNANCE

(As required by Clause 49 of the Listing Agreement of the Stock Exchanges)

1) Company's Philosophy

The Company firmly believes in and has consistently endeavoured to practice good Corporate Governance and has acted as a good corporate citizen even during the difficult times.

The spirit of Corporate Governance has prevailed in the Company and has influenced its decisions and policies long before the guidelines became mandatory. The Company firmly believes in the values of transparency, professionalism and accountability in its dealing with its customers, dealers, employees, shareholders and with every individual who comes in contact with the Company.

2. Board of Directors

The Board comprises of Chairman and Managing Director, Resident Director and Director – Corporate Development, who are Executive Directors, three Non-Executive Directors and one Nominee Director.

A Management Discussion and Analysis Report which forms a part of this Annual Report is given by means of separate annexure and is attached to the Directors' Report.

None of the Directors on the Board are Members in more than ten Committees and they do not act as Chairman of more than five Committees across all Companies in which they are Directors.

a) Number of Board Meetings and Attendance Record of the Directors :

During the year ended 31st March, 2002, the Company had Six Board Meetings. These were on 30th April, 2001, 31st July, 2001, 29th October, 2001, 12th December, 2001, 15th December, 2001 and 31st January, 2002.

The composition of Directors and the attendance at the Board Meetings during the year and the last Annual General Meeting as also number of other directorships and Committee Memberships are given below :

| Sr. No | Name of Director | Position | No. of Board Meetings attended | Attendance at last AGM | No. of other Directorships | No. of other Committee Members |
|--------|---|--|--------------------------------|------------------------|----------------------------|--------------------------------|
| 1 | Mr. Vashu J. Ramsinghani | Chairman & Managing Director & Executive Director | 6 | Yes | 6 | --- |
| 2 | Mrs. Manju V. Ramsinghani Resigned w.e.f. 28.11.2001 | Non-Executive Director | 2 | Yes | 6 | --- |
| 3 | Mr. N. Ganga Ram Resigned w.e.f. 05.06.2001 | Non-Executive Independent Director | 1 | Resigned before AGM | 15 | 7 |
| 4 | Mr. N. J. Jhaveri Resigned w.e.f. 07.06.2001 | Non-Executive Independent Director | 1 | Resigned before AGM | 11 | 10 |
| 5 | Mr. Mahendra Doshi Resigned w.e.f. 12.12.2001 | Non-Executive Independent Director | 3 | No | 12 | 3 |
| 6 | Mr. H. K. Khan Resigned w.e.f. 28.11.2001 | Non-Executive Independent Director | 1 | No | 3 | --- |
| 7 | Mr. N. S. Sadawarte Resigned w.e.f. 12.12.2001 | Non-Executive Independent Director | 3 | Yes | 3 | 5 |
| 8 | Mr. Manohar Agicha Resigned w.e.f. 12.12.2001 | Non-Executive Independent Director | 3 | No | 1 | --- |
| 9 | Mr. Srichand Agicha Appointed w.e.f. 12.12.2001 | Non-Executive Independent Director | 1 | Appointed after AGM | 2 | --- |
| 10 | Mr. Ramesh Narang | Non-Executive Independent Director | 1 | No | --- | --- |
| 11 | Mr. Parshottam Kukreja | Non-Executive Independent Director | --- | No | --- | --- |
| 12 | Mr. S. C. Bhargava | Executive Director | 5 | Yes | --- | --- |
| 13 | Mr. S.S. Mande Appointed w.e.f. 31.07.2001 | Executive Director | 5 | Yes | --- | --- |
| 14 | Mr. Ajeet Prasad | Non-Executive Independent & UTI Nominee Director | 5 | No | 6 | --- |
| 15 | Mr. P. R. Krishnamoorthy Resigned w.e.f. 13.06.2001 | Non-Executive Independent & ICICI Nominee Director | --- | Resigned before AGM | 1 | --- |
| 16 | Mr. Sanjay Maheshka Resigned w.e.f. 07.12.2001 | Non-Executive Independent & ICICI Nominee Director | 2 | No | 3 | --- |

ANNEXURE TO DIRECTORS' REPORT



3) Directors' Interest in the Company

For the sake of transparency the Company is committed to make full disclosures regarding the interest of and payments to all Directors. The Non Executive and Nominee Directors of the Company are paid sitting fee for attending meetings of the Board of Directors and Committee of Directors at the rate of Rs. 4,000/- per meeting attended by them. Besides sitting fee, the Non Executive and Nominee Directors of the Company are not paid any other remuneration or commission. Further, it is not a policy of the Company to give loans and advances to its Directors.

The Company did not have any pecuniary relationship or transactions with the Non-Executive Directors during the period under review.

Sometimes, the Company do enter into contracts with Companies in which some of the Directors of the Company are interested as Director or member. However, these contracts are in the ordinary course of the Company's business without giving any specific weightage to them. Directors regularly make full disclosures to the Board of Directors regarding the nature of their interest in the companies in which they are directors. Full particulars of contracts entered with companies in which directors are directly or indirectly concerned or interested are entered in the Register of Contracts maintained under Section 301 of the Companies Act, 1956 and the same is placed in every Board Meeting for the noting of the Directors.

4) Audit Committee

The Board of Directors reconstituted the Audit Committee in January, 2002 in compliance with the provisions of Section 292A of the Companies Act, 1956 to exercise powers and discharge functions as stipulated in Section 292A of the Companies Act, 1956, Clause 49 of the Listing Agreement with Stock Exchanges and other relevant statutory / regulatory provisions.

Composition as on 31st March, 2002

The Audit Committee of the Board as on 31st March, 2002 comprises of three Independent Non-executive Directors :

| Sr. No. | Name of the Member | Status |
|---------|---------------------|--|
| 1 | Mr. Ajeet Prasad | Non-Executive Independent Director (UTI Nominee) |
| 2 | Mr. Srichand Agicha | Non-Executive Independent Director |
| 3. | Mr. Ramesh Narang | Non-Executive Independent Director |

The Committee, in addition to other business reviews the quarterly (unaudited) financial results and annual accounts before submitting to the Board of Directors.

During the year under review the Company had non-compliance as regards to holding of three Audit Committee Meetings in the year. The reason for non-compliance was that the Company was in a process of reconstituting its Audit Committee as required under Clause 49 of the Listing Agreement. During the financial year ended March 31, 2002, the Audit Committee met twice and Member's attendance at the meetings were as follows :

Date of Meeting

No. of Members Present

28.04.2001

3

29.10.2001

3

The Statutory Auditors, General Manager – Finance, Internal Auditors and Executive Directors are invitees to the Audit Committee Meetings. The Company Secretary is in attendance at these Meetings.

5) Remuneration Committee

The Company has not yet formed a Remuneration Committee.

6) Remuneration Policy

Remuneration of employees largely consists of basic remuneration and perquisites.

The component of the total remuneration varies for different grades and is governed by Industry pattern, qualifications and experience of the employee, responsibilities handled by him and his individual performance, etc.

The objectives of the remuneration policy are to motivate employees to excel in their performance, recognise their contribution, retain talent in the organisation and record merit.

7) Details of remuneration for the year ended 31.03.2002

(i) Executive Directors

| Name | Salary (Rs.) | Com- mission (Rs.) | Perqu- isites (Rs.) | Retire- ment Benefits (Rs.) |
|---|-----------------|--------------------------|---------------------------|--------------------------------------|
| Mr. Vashu J. Ramsinghani Chairman & Managing Director | 1,001,700 | — | 10,369 | — |
| Mr. S. C. Bhargava Resident Director | 561,600 | — | 137,107 | — |
| Mr. S.S. Mande Director – Corporate Development | 406,400 | — | 87,098 | — |

The Agreements with Executive Directors are contractual in nature. The Agreement may be determined at any time by either party giving three months notice in writing without any cause. In the event the notice is delivered by the Executive Directors, the Company shall have the option of determining the services of the Directors forthwith without any further liabilities whatsoever. In the event of such notice is delivered by the Company, the Executive Directors shall be entitled to be paid his full salary as per the agreement for a period of three months as well as such other benefits which he would have earned during the same period.

The Executive Director will also be entitled to the perquisites as per the agreement for the same period or, at the option of the Company, the cash value thereof for the length of such period, to the extent applicable.

There are no Stock options available / issued to any Directors of the Company and this does not form a part of their contract with the Company.

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(ii) Non-Executive Directors

Remuneration by way of sitting fees for attending Board Meetings / Audit Committee Meetings are paid to the non-executive directors.

| Name of Directors | Sitting Fees Paid (Rs.) |
|---------------------------|-------------------------|
| Mrs. Manju V. Ramsinghani | 8000 |
| Mr. N. Ganga Ram | 8000 |
| Mr. Manohar Agicha | 12000 |
| Mr. H. K. Khan | 4000 |
| Mr. Ramesh Narang | 4000 |
| Mr. Parshottam Kukreja | — |
| Mr. N. S. Sadawarte | 20000 |
| Mr. N.J. Jhaveri | 4000 |
| Mr. Mahendra Doshi | 12000 |
| Mr. Srichand Agicha | 4000 |
| Mr. Sanjay Maheshka | *8000 |
| Mr. P. R. Krishnamoorthy | — |
| Mr. Ajeet Prasad | **24000 |
| TOTAL | 108000 |

* Remitted to ICICI Ltd. ** Remitted to Unit Trust of India

8) Share Transfer Committee

In accordance with Clause 49 para VI (D) of the Listing Agreement of the Stock Exchanges, the Board has unanimously delegated the powers of share transfers to the Share Transfer Committee consisting of Mr. Vashu J. Ramsinghani, Mr. S.C. Bhargava and Mr. S.S. Mande and Registrars, in order to expedite the process of share transfers, issue of duplicate certificates and certificates after splits / consolidation / renewal and rematerialisation. This Committee meets at least three times in a month to expedite all matters relating to transfers, transmission, splits / consolidation/ duplicate and rematerialisation.

9) Shareholders / Investors Grievance Committee

The Board has formed a Shareholders/Investors Grievance Committee consisting of the following Independent Directors :

1. Mr. Srichand Agicha – Chairman (Non Executive Independent Director)
2. Mr. S. S. Mande – Member

All investor complaints, which cannot be settled at the level of Mr. Vivek Raizada, the Company Secretary and Compliance Officer and the Registrars, will be forwarded to the Shareholders / Investors Grievance Committee for final settlement.

10) General Body Meetings

The last three Annual General Meetings were held as under :

| Financial Year | Date | Time | Venue |
|----------------|------------|------------|----------------|
| 31.03.2001 | 20.09.2001 | 10:00 A.M. | Surat, Gujarat |
| 31.03.2000 | 30.09.2000 | 10:00 A.M. | Surat, Gujarat |
| 31.03.1999 | 24.09.1999 | 10:00 A.M. | Surat, Gujarat |

No special resolutions were required to be put through postal ballot last year.

No special resolutions on matters requiring postal ballot as recommended under Clause 49 of the Listing Agreement of the Stock Exchanges, are placed for shareholders approval at this meeting.

11) Disclosures

1. There were no instances of non-compliance on any matter related to the capital market, during the last three years.
2. The Board has obtained certificates / disclosures from key management personnel confirming that they do not have any material, financial and commercial interest in transactions with the Company, that may have a potential conflict with the interest of the Company at large.

12) Means of Communication

1. Quarterly results are published in newspapers. The annual results are posted to every shareholder of the Company.
2. Management Discussion and Analysis forms a part of this Annual Report, which is also being posted to all the Shareholders of the Company.
3. Official news releases are given directly to the press.
4. The Company's website at www.ramanewsprint.com is regularly updated with financial results.

13) General Shareholder Information

1. Annual General Meeting is proposed to be held on Saturday, the 28th September, 2002, at Surat, at 10:30 a.m.
2. The Company has furnished information as required by Clause 49 (vi) of the Listing Agreement of the Stock Exchanges, relating to the appointment of new Directors or re-appointment of Directors. Shareholders may kindly refer to the Explanatory Statement convening the 11th Annual General Meeting of the Company.
3. Financial Calendar

| | |
|---|-----------------------------|
| Financial Reporting for the quarter ending 30th June, 2002 | : 4th week of July, 2002 |
| Financial Reporting for the quarter ending 30th September, 2002 | : 4th week of October, 2002 |
| Financial Reporting for the quarter ending 31st December, 2002 | : 4th week of January, 2003 |
| Financial Reporting for the quarter ending 31st March, 2003 | : 4th week of April, 2003 |