

# **RAMA NEWSPRINT AND PAPERS LIMITED**



**14<sup>TH</sup> ANNUAL REPORT 2004-2005**

**RAMA NEWSPRINT AND PAPERS LIMITED**



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**RAMA NEWSPRINT AND PAPERS LIMITED****BOARD OF DIRECTORS****SHREE KUMAR BANGUR** CHAIRMAN**VIRENDRA BANGUR** VICE CHAIRMAN**VASHU J. RAMSINGHANI** VICE CHAIRMAN**K. L. CHANDAK****HAIGREVE KHAITAN****AMIT RAMSINGHANI****R. KANNAN** (ICICI BANK LTD. NOMINEE)**NAGESH PINGE** (ICICI BANK LTD. NOMINEE)**S. RAMALINGAM** (INDUSTRIAL INVESTMENT BANK OF INDIA LTD. NOMINEE)**V. D. BAJAJ** EXECUTIVE DIRECTOR**Bankers**

Bank of India  
 Oriental Bank of Commerce  
 Central Bank of India  
 UTI Bank Ltd.

**Registered Office & Factory**

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

**Corporate Office**

12<sup>th</sup> Floor, Nariman Bhavan, V.K. Shah Marg,  
 Nariman Point, Mumbai - 400 021  
 Ph. : 022 - 22020511  
 Fax : 022-22821430

**Registrar & Transfer Agent**

MCS Ltd.,  
 Sri Venkatesh Bhavan,  
 Plot No. 27, Road No. 11,  
 MIDC Area, Andheri (East),  
 Mumbai - 400 093.

**Auditors**

Haribhakti & Co., Mumbai.

**Solicitors**

Khaitan & Co., Mumbai

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**NOTICE****ANNUAL REPORT  
2004-2005**

**NOTICE IS HEREBY GIVEN THAT THE 14<sup>th</sup> ANNUAL GENERAL MEETING OF THE MEMBERS OF RAMA NEWSPRINT AND PAPERS LIMITED WILL BE HELD ON TUESDAY 6<sup>th</sup> SEPTEMBER 2005 AT 3.00 P.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 31<sup>st</sup> March 2005, Profit and Loss Account for the year ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Shri S.K. Bangur, who retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for the re-appointment.
3. To appoint a Director in place of Shri Virendra Bangur, who retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for the re-appointment.
4. To appoint Statutory Auditors of the Company and 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. Amit Ramsinghani who was appointed as an additional Director of the Company under Section 260 of the Companies Act, 1956 and who holds office 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 Companies Act 1956, from a member proposing name of Shri Amit Ramsinghani as candidate for the office of the Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

By Order of the Board  
For **RAMA NEWSPRINT AND PAPERS LIMITED**

**V.D. BAJAJ**  
**EXECUTIVE DIRECTOR**

Mumbai, 27<sup>th</sup> June 2005

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

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## NOTICE

### 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 Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday 24<sup>th</sup> August 2005 to Tuesday 6<sup>th</sup> September 2005(both days inclusive).
4. 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.
5. Members are also requested to note the change of address of Corporate Office of the Company to Nariman Bhavan, 12<sup>th</sup> Floor, V.K. Shah Marg, Nariman Point, Mumbai 400 021.
6. Members who were holders of 16% Non-Convertible Debentures of the Company, are requested to note that the Company has redeemed the entire debenture series on 30<sup>th</sup> September 2004 and have sent the Redemption-cum-interest warrants to all the outstanding debentureholders on the said date. The debentureholders of the said series who have not yet encashed/claimed or deposited the said warrants in their banks are requested to write to the Company Secretary for details and clarification.
7. Members, who hold shares in de-materialized form are requested to bring their Client ID and DP ID Nos. for easier identification of attendance at the Meeting.
8. 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.
9. The documents referred to in this Notice 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.
10. 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.

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

#### ITEM NO 5

Shri Amit Ramsinghani was appointed as an additional director at the Board Meeting held on 28<sup>th</sup> January 2005 in accordance with the terms and conditions of the Shareholders Agreement entered by the Company with Vashu Group and M/s. West Coast Paper Mills Ltd. Shri Amit Ramsinghani has done Bachelor of Science in Business Administration with specialization in Finance and Economics from the prestigious Babson College, Boston, U.S.A. Presently he is working for a high precision engineering project for the manufacturing of high pressure seamless cylinders for industrial gas, CNG and medical applications. Shri Amit Ramsinghani is holding office of director of the Company till date of the ensuing Annual General Meeting and is eligible for re-appointment. A Notice under Section 257 of the Companies Act, 1956 alongwith deposit of Rs. 500/- has been received from a member signifying his intention to propose name of Shri Amit Ramsinghani as candidate for the post of director of the Company. Shri Amit Ramsinghani is eligible for the appointment. Your directors are of opinion that appointment of Shri Amit Ramsinghani will be in the interest of the Company and hence recommends the same for approval of members.

Except Shri Vashu Ramsinghani and Shri Amit Ramsinghani 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**

**V.D. BAJAJ**  
**EXECUTIVE DIRECTOR**

Mumbai, 27<sup>th</sup> June 2005

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

# DIRECTORS' REPORT

**ANNUAL REPORT  
2004-2005**

To  
The Members of  
**RAMA NEWSPRINT AND PAPERS LIMITED**

Your Directors are pleased to present the 14<sup>th</sup> Annual Report and the Audited Accounts for the Financial Year ended 31<sup>st</sup> March 2005.

## FINANCIAL RESULTS

	(Rs. in lakhs)	
	Year ended 31.03.2005	6 months period ended 31.03.2004
Sales (Net of Excise Duty)	28806.28	12459.25
Other Income	698.44	161.37
Profit before Interest and Depreciation	3642.34	1905.63
Less: Interest & Lease rent*	(322.13)	(1901.22)
Profit / (Loss) before Depreciation and Tax & Extraordinary Item	3964.47	3806.85
Add : Extraordinary Item . (remission in principal loan amount)	2522.27	-
Less: Depreciation	3067.53	1531.80
Tax - Current	-	-
Less: Deferred Tax	1345.84	617.25
<b>Net Profit</b>	<b>2073.37</b>	<b>1657.80</b>

\*Includes excess liability written back of Rs. 2142.30 lacs (previous period Rs.3050.69 lacs).

## REVIEW OF OPERATIONS:

The financial year under review was the period of assessment and implementation of plans & strategy for putting the Company on sustainable growth path. The year under review also saw upswing in overall economy of the Country and industrial output. Your Company, capitalizing its strengths and expertise, has taken major initiatives to streamline the operations, upgrade the quality of products, initiated aggressive marketing of products and brand building. Though the buoyancy in demand for newsprint continued during the year under review, the margins of the Company were under pressure due to steep hike in the cost of power and fuel, coal, raw materials and chemicals. The management with its planning and foresight-ness is well geared to meet the business challenges, and exploit the opportunities thrown open by the dynamics of competitive global market. In the background of buoyant economy, increase in circulation of newspapers, magazines & periodicals, enhancement of advertisement budgets by corporate, upswing in literacy rate, your company is poised for a bright future which will ultimately lead to creation of wealth for all the stakeholders.

During the year under review your Company registered total production of 118092 Mts as compared to 57156 Mts produced during the six month period ended 31<sup>st</sup> March 2004 and as compared to 103380 Mts produced during the corresponding twelve months period ended 31<sup>st</sup> March 2004 thereby registering

the growth of 14.23% on annualized basis.

The production of Newsprint was 100049 Mts and writing & printing grades 18043 Mts during the period under review, as compared to 46046 Mts of Newsprint and 11110 Mts of writing & printing grades produced during the six months period ended 31<sup>st</sup> March 2004 and as compared to 80416 Mts of Newsprint and 22964 of writing & printing grades produced during the corresponding twelve months period ended 31<sup>st</sup> March 2004.

During the year under review the Company registered total sales volume of 99744 Mts of Newsprint and 19084 Mts of writing & printing grades as compared to 43232 Mts of Newsprint and 11063 Mts of writing & printing during the six months period ended 31<sup>st</sup> March 2004 and 83125 Mts of Newsprint and 25346 Mts of writing & printing during the corresponding twelve months period ended 31<sup>st</sup> March 2004. The total sales volume was 118828 Mts during the year under review as compared to 54295 Mts during the six months period ended 31<sup>st</sup> March 2004 and 108471 Mts during the twelve months period ended 31<sup>st</sup> March 2004 showing growth of 9.5% on annualized basis.

Your Company during the year ended 31<sup>st</sup> March 2005 achieved turnover of Rs.28806.28 lacs (net of Excise Duty) as compared to turnover of Rs. 12459.25 lacs during the corresponding six months period ended 31<sup>st</sup> March 2004 and Rs. 24605.39 during twelve months period ended 31<sup>st</sup> March 2004, registering a growth of 17% on annualized basis.

Your Company exported goods worth Rs. 1394.80 lacs during the year ended 31<sup>st</sup> March 2005 as compared to Rs. 342.38 Lacs exported during the pervious corresponding six months period ended 31<sup>st</sup> March 2004 and Rs. 1085.83 lacs exported during the corresponding twelve months period ended 31<sup>st</sup> March 2004, which shows improvement of 28% on annualized basis.

## INDUSTRY SCENERIO AND COMPANY PROSPECTS:

The growth of Paper Industry is in tandem with the growth of overall economy of the Country. The Indian Economy is projected to grow by about 7% p.a. and correspondingly the paper Industry is expected to grown by 6-7% p.a., which makes it one of the fastest growing paper market in the world. As the India growth story continues, the growth in paper demand is expected to sustain at a healthy rate. It is expected that due to growing demand there will be shortage of around 1 million tones of paper by 2010.

The demand for newsprint is also expected to remain firm and is expected to grow at 6-7% in coming years, due to strong economy growth and corresponding increase in advertisement and promotion expenditure backed by new newspaper circulations in the country. However, despite growth in demand the domestic Newsprint Industry is unable to fully capitalize the demand factor since large part of demand growth is met by imports from Canada, Russia and Finland. Further the domestic players are facing adverse impact on margins due to steep increase in cost of raw material, fuel and power. Domestic Newsprint pricing lacks flexibility and by and large follows International trend. It is expected that international newsprint prices to further firm up by 5-7% in 2005-2006, which will enable domestic players to hike prices and improve margins. The prices are expected to sustain at high levels for a year atleast, as

## DIRECTORS' REPORT

capacity utilization, has peaked and proposed expansions of Paper Mills may not keep pace with demand growth.

The Management, after identifying the opportunities and threats before the Company has taken various measures to foster the growth in order to take the Company on the path of sustainable profitability. With an objective to capitalize the growth in Newsprint industry, the Company has initiated process of modernization of plant, installation of new captive power project, reducing the downtime, and improve productivity and thereby optimize capacity utilization, improving quality of products, adding new customers, controlling on costs, heightening internal control checks, transparency and accountability at all levels of operations, placing a sound demand and supply chain system and keeping the morale of employees high by relating compensation with performance.

The management, with all its expertise, experience, aptitude and a strong will to prosper, is confident to take the Company to heights of success and sustainable growth path thereby maximizing the wealth of its stakeholders.

### DIVIDEND

In view of the accumulated losses, the Directors regret their inability to recommend payment of dividend this year.

### CORPORATE DEBT RESTRUCTURING

The Company successfully implemented the Corporate Debt Restructuring (CDR) scheme as approved by CDR Cell. Consequent to implementation of CDR scheme, the Company got remission in principal loan amount and interest thereon payable to its lenders, which has enabled it to reduce its debt burden to the extent of Rs. 188.48 crores. During the year under review, the Company also reached one time settlement with Unit Trust of India and paid Rs. 51 crores as OTS of debts of UTI. The Company also made full and final payment to all outstanding Public Debenture-holders. Pursuant to these development the debt burden of the Company has been substantially reduced which has helped the Company to revive its financial health and make itself competent to avail the opportunities of vibrant and buoyant economy and also to meet the challenges of competitive business environment.

### ENVIRONMENT AND SAFETY:

The Company keenly plays its role of a responsible Corporate citizen while addressing the issue related to environment, health and safety and in order to achieve the objective it has fostered a culture of trust, teamwork, accountability, partnership and open communication with employees, suppliers, customers, outside organizations and the community. The Company has taken various measures to reduce, minimize, or eliminate the generation of waste and the release of potentially hazardous materials to the environment so as to prevent any adverse impacts from company operations on the environment, on the health and safety of employees, and on the health and safety of the communities of which we are a part. The company follows and complies with applicable pollution control norms and legislations relating to health and safety.

### RESEARCH AND DEVELOPMENT

The Company's policy is to invest in product innovation and process improvement at a level designed to enable it to satisfy its customers by continuous research and development process which covers -

- a) Laboratory evaluation of different materials using the new instruments to study the ink density of raw materials and bleach-ability.
- b) Studies on additives to improve the coal combustion.
- c) Plant trials of chemicals and other equipments to improve the retention in the white water system, to improve the strength and optimizing the sheet properties, to improve the fibre recovery, yield, quality and to reduce linting and fibre losses.
- d) Enzymatic deinking of newsprint and writing/printing grades and optimization of other chemicals in combination is being studied.

The Company has engaged firm of experts of international repute to carry study (Technical Audit) on the working and operations of the plant and to recommend steps to be taken to make your company at par with international competitors. Necessary steps are being taken to implement their recommendations. In order to maintain and improve our market share, Research and Development are considered, as key strategies therefore continue to receive high priority. The management is of opinion that these efforts will augur well for the sustainable growth of the Company.

### RAW MATERIALS & FUEL:

The Company use eco-friendly raw material of recycled fibre viz., Old Newspaper (ONP) and other waste paper and pulp, for manufacturing Newsprint and high quality waste paper & virgin pulp for Writing & Printing Paper through totally chlorine free process. The Company imports as well as procures raw materials domestically. During the period under review though the availability of raw materials was normal, the prices saw rise due to rise in demand.

During the year under review there was adverse impact on financials of the Company due to steep increase in cost of Coal & Fuel and Chemicals. The coal prices are witnessing increase in prices due to new E-Auction bidding mechanism of subsidiaries of Coal India Limited (CIL). E-Auction allows Coal companies to raise the notified price of coal without having to go through the hassles of seeking clearance from CIL and Coal Ministry. Coal companies are taking highest bid as notified price for subsequent month prices and as such the prices are determined as per highest bidding and market demand. The mechanism of E-Auction of coal is denting adverse impact on financials of the company. Further due to buoyancy in domestic manufacturing sector demand and prices of chemicals rose to new high.

Detailed analysis of company's performance is covered in the "Management Discussion and Analysis" forming the part of this Annual Report.



# DIRECTORS' REPORT

**ANNUAL REPORT  
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## BOARD OF DIRECTORS

During the period under review, ICICI Bank Limited appointed Shri Nilanjan Sinha, w.e.f. 16.4.04, Shri A.K. Gore w.e.f. 24.8.04 and Shri Nagesh Pingre, w.e.f. 15.9.04 as its nominee directors.

Similarly during the period under review, ICICI Bank Ltd withdrew the nominations of Mr. Mujib Mundewadi, w.e.f. 15.9.04, Shri Sanjay Maheshka, 9.4.04, Shri Devendra Gupta, w.e.f. 24.8.04, Shri Nilanjan Sinha, Shri Sudhir Jha, and Shri A.K. Gore, w.e.f. 18.10.04, as its Nominee Directors.

Consequent to One-time Settlement of UTI dues, Shri Ajeet Prasad, Nominee Director of UTI Asset Management Co. Pvt. Ltd (UTI) resigned from the Board of the Company w.e.f. 29.09.04. Further Shri S.G. Pawar, Nominee Director of Western India Executors & Trustee Co. Ltd, resigned w.e.f. 28.10.2004.

The Board of Directors at its Meeting held on 30.10.04 appointed Shri Virendra Bangur and Shri Vashu Ramsinghani as Vice Chairmen of the Company.

The Board of Directors at its meeting held on 28.1.05 has appointed Shri Amit V Ramsinghani as an additional director. Shri Amit V Ramsinghani holds the post of director till the date of ensuing Annual General Meeting. The Company has received notice u/s 257 of the Companies Act, 1956, from a member proposing candidature of Shri Amit V Ramsinghani for post of Directorship of the Company.

Shri S.K. Bangur and Shri Virendra Bangur are retiring by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for the re-appointment.

The Directors place on record their note of appreciation of the valuable contribution made by Shri Sudhir Jha, Mr. Mujib Mundewadi, Shri Sanjay Maheshka, Shri Devendra Gupta, Shri Nilanjan Sinha, Shri A.K. Gore, Shri S.G. Pawar and Shri Ajeet Prasad, during their tenure with the Company as Directors.

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

The Directors hereby confirm that :-

1. in the preparation of the 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 of the loss of the company for that period;
3. the proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
4. the annual accounts have been prepared on a "going concern" basis.

## PUBLIC DEPOSITS:

The Company has not accepted any deposits from public during the period.

## LISTING OF SHARES:

Equity Shares of Company are listed on The Stock Exchange, Mumbai (BSE) and The National Stock Exchange (NSE). During the year, the Company applied to The Stock Exchange Ahmedabad (ASE), Vadodara Stock Exchange (VSE), Delhi Stock Exchange (DSE), Madras Stock Exchange (MSE) and The Calcutta Stock Exchange (CSE), for voluntary delisting of its equity shares, in view of nil trading and to save cost to the company. Consequent to the said applications, ASE, VSE, DSE, CSE and MSE approved the delisting of the equity shares of the Company from their respective Stock Exchanges. The Company has duly paid listing fees to stock exchanges.

## CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION & ANALYSIS

The Report on Corporate Governance and Management Discussion and Analysis forming part of Directors Report and are annexed as Annexure – II and Annexure – III.

As required by the Listing Agreements the Certificate of Auditors on Corporate Governance compliance is also annexed 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 – I to this Report and forms part of it.

## PARTICULARS OF EMPLOYEES

During the year under review no employee has drawn remuneration in excess of the limits specified under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended to date.

## CASH FLOW STATEMENT

As required under Clause 32 of the Listing Agreements with the Stock Exchange, a Cash Flow Statement is attached to Balance Sheet.

## DEBENTURES

The Company has sent Debenture Redemption-cum-Interest Warrants dated 30<sup>th</sup> September 2004 to all the outstanding Public Debentureholders without waiting for the surrender of Original Debenture certificates by them and the said certificates are treated as cancelled/redeemed. The unclaimed redemption amount of



## DIRECTORS' REPORT

debentures is kept in a separate Bank account with UTI Bank Limited, under instruction to Debenture Trustees.

Similarly the Company has redeemed 19.50% Secured Non-Convertible Debentures series of Rs. 10 crores issued to UTI and 18% Secured Non-Convertible Debenture series of Rs.24 crores issued to UTI.

### 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 offers themselves for re-appointment.

### AUDITORS REPORT

The Notes to accounts, forming part of Balance Sheet as at 31<sup>st</sup> March 2005 and Profit and Loss Account for the year ended on that date, referred to in the Auditor's Report are self-explanatory.

### COST AUDIT

The cost accounts records maintained by your company are subject to audit by the qualified Cost Auditors. Your Company had appointed Shri. Narottam Tola, a qualified Cost Accountant

for conducting the audit of cost account records for the period ended 31<sup>st</sup> March 2005 and the Cost Audit report will be submitted to the Department of Company Affairs, Government of India in due course.

### ACKNOWLEDGEMENT

The Directors place on record their sincere gratitude for guidance and co-operation extended by the Central Government, the State Government of Gujarat, Regulatory Bodies, participating Financial Institutions and Banks, Shareholders, Debentureholders, Customers, Suppliers and Dealers. The Directors take this opportunity to express their appreciation towards the dedication, commitment and teamwork shown by employees, which has contributed in taking the Company on the path of prosperity.

By Order of the Board

S.K. BANGUR  
CHAIRMAN

Place: Mumbai,  
Date: 27<sup>th</sup> June 2005

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# 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 31<sup>st</sup> MARCH 2005.**

### A. CONSERVATION OF ENERGY

#### 1. ENERGY CONSERVATION MEASURES TAKEN:

Following measures have been taken for energy conservation -

- i) With continued efforts, cogeneration was maintained at 88% and compared to previous year, the generation was less because of shutdown of CE-4 Boiler for annual inspection / Bed Coils (Pressure Parts) replacement.
- ii) Based upon the previous audit reports and observations, the Company had changed some of the under-rated motors in flotation deinking units.
- iii) Some of the measures taken for saving of energy:-
  - a. Replacement of C.T. Fans.
  - b. Replacement of Hot Water Pump supplying water to main water header.
  - c. Installation of higher capacity Condensate Transfer Pump and Ejector installation due to which Vacuum Pump could be stopped.
  - d. Interlock of agitator of Start Preparation Tank.
- iv) Energy Audit has been carried out by Devaki Consultants for Thermal (Boilers), Electrical (Cogeneration, Distribution), Compressed Air, Vacuum System, other Pumps & Agitators.

#### 2. ADDITIONAL INVESTMENT AND PROPOSAL FOR ENERGY CONSERVATION ARE:

- a. Installation of the New T.G. (23 MW).
- b. Order has been finalized for steam and condensate revamping on both machines, which will benefit to reduce the steam consumption and improve the CD moisture profile.

#### 3. IMPACT OF MEASURES (1) & (2) ARE:

The above measures will help to reduce the generation cost and this will reduce the cost of production. The specific power consumption was 1121kwh/Ton, against previous year's average of 1156kwh/Ton. This was due to the several measures taken for energy conservation.

4. Total energy conservation and energy consumption per unit of production as per Form-A, which is enclosed.

### B. TECHNOLOGY ABSORPTION

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

### C. FOREIGN EXCHANGE EARNING AND OUTGO.

	Rs. (In Lacs)	
	Current year end 31.3.2005	Previous 6 months period end 31.3.2004
Foreign Exchange Earning	1363.98	327.36
Foreign Exchange Used	6886.79	3495.19