

RAMA NEWSPRINT AND PAPERS LIMITED



**15TH ANNUAL REPORT
2005-2006**



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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	DIRECTOR
HAIGREVE KHAITAN	DIRECTOR
AMIT RAMSINGHANI	DIRECTOR
CHANDRAVADAN DESAI	INDEPENDENT DIRECTOR
M V GORE	INDEPENDENT DIRECTOR
NAGESH PINGE	(ICICI BANK LTD. NOMINEE)
ASHOK ALLADI	(ICICI BANK 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

12th Floor, Nariman Bhavan,
Nariman Point, Mumbai – 400021.
Ph: 022-22020511
Fax: 022-22821430
Email: ramanewsprint@ramanewsprint.com
Website: www.ramanewsprint.com

Registrar & Transfer Agent

INTIME SPECTRUM REGISTRY LTD
Unit: Rama Newsprint & Papers Ltd
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (W),
Mumbai – 400078.
Phone No. 25963838 Fax: 25946969

Auditors

Haribhakti & Co., Mumbai.

Advocates & Solicitors

Khaitan & Co., Mumbai.

This Annual Report has been printed on Paper Manufactured by **RNPL**

NOTICE

**ANNUAL REPORT
2005-2006**

NOTICE IS HEREBY GIVEN THAT THE 15th ANNUAL GENERAL MEETING OF THE MEMBERS OF RAMA NEWSPRINT AND PAPERS LIMITED WILL BE HELD ON **THURSDAY 28th SEPTEMBER 2006 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 31st March 2006, 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 K.L. Chandak, 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 Haigreave Khaitan, who retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for the re-appointment.
4. To appoint M/s. Haribhakti & Company, Chartered Accountants, retiring Auditors, as Statutory Auditors of the Company to hold office from conclusion of the ensuing Annual General Meeting till the conclusion of next Annual General Meeting and to authorize the Board of Directors to fix remuneration of the Statutory Auditors.

SPECIAL BUSINESS

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

"RESOLVED THAT Shri Madhukar V. Gore 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 Madhukar V Gore as candidate for the office of the Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

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

"RESOLVED THAT Shri Chandravadan Desai 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 Chandravadan Desai as candidate for the office of the Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

7. To consider and, if thought fit, to pass, with or without modification, the following resolution as the Special Resolution:

"RESOLVED THAT in supersession of earlier resolution passed in this regard and pursuant to the provisions of Section 163 and other applicable provisions, if any, of the Companies Act, 1956, and subject to such approvals or permissions as may be necessary, the approval of the members of the Company be and is hereby accorded to maintain the copies of Register of members, the Index of Members, the Register and Index of Debentureholders and copies of all annual returns prepared under Sections 159 and 160 together with the copies of certificates and documents required to be annexed thereto under Sections 160 and 161 and other Registers and documents as are permissible, also at the Office of the Company's Register and Transfer Agent i.e. M/s. Intime Spectrum Registry Limited or any other Registrar and Transfer Agent appointed in lieu thereof."

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

V.D. BAJAJ
EXECUTIVE DIRECTOR

Mumbai, 27th July 2006.

Registered Office:

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

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 Tuesday 19th September 2006 to Thursday 28th September 2006 (both days inclusive).
4. The Explanatory Statement Pursuant to section 173(2) of the Companies Act, 1956 is annexed hereto.
5. Re-appointment of Directors: At the ensuing Annual General Meeting, Shri K.L. Chandak and Shri Haigreve Khaitan, retire by rotation and being eligible offer themselves for re-appointment. The information and details, pertaining to appointment of the directors at the ensuing Annual General Meeting, to be provided in terms of Clause 49 of the listing agreement with the stock exchanges are furnished in the report on the Corporate Governance published in this annual report. None of the Directors have shareholding in the Company except Shri K L Chandak, who holds 6250 shares.
6. **CHANGE IN R & T AGENT:** The Company has been informed by Registrar & Share Transfer Agent, (R & T Agent) M/s. MCS Limited that they are in the process of finalizing the modalities with regard to the sale of their Registry business to M/s. Intime Spectrum Registry Ltd (ISRL). As such, in order to ensure smooth, uninterrupted and timely services to the investors, the Company has appointed **M/s. INTIME SPECTRUM REGISTRY LTD as its New R & T Agent.** Please note the change in R & T Agent of the Company and forward all your future communications to ISRL on the following address; **INTIME SPECTRUM REGISTRY LIMITED**, Unit: Rama Newsprint & Papers Ltd, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400078. Phone No. 25963838 Fax: 25946969.
7. Members are requested to notify immediately any change in their Registered Address to the Company's Registrar, **INTIME SPECTRUM REGISTRY LIMITED**, Unit: Rama Newsprint & Papers Ltd, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400078.
8. Members who were holders of 16% Non-Convertible Debentures of the Company, are requested to note that the Company had redeemed the entire debenture series on 30th September 2004 and had 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.
9. 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.
10. 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.
11. 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.
12. 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 dematerialization, 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

The Board of Directors appointed Shri Madhukar Gore as an additional director of the Company on 30th December 2005. Shri Madhukar Gore he is a Chartered Accountant by profession and is having wide and varied experience of management and administration of corporate affairs. He was the Executive Director of Life Insurance Corporation of India. Shri Madhukar Gore 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 the name of Shri Madhukar Gore as candidate for the post of director of the Company. Shri Madhukar Gore is eligible for the appointment. He does not hold any shares of the Company in his personal capacity. Your directors are of opinion that appointment of Shri Madhukar Gore will be in the interest of the Company and hence recommends the same for approval of members.

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

NOTICE



ITEM NO 6:

The Board of Director appointed Shri Chandravadan Desai as an additional director on 27th July 2006. Shri Chandravadan Desai is a noted personality in stock broking and financial market and has more than 25 years of experience in Stock Broking and Financial Consultancy Services. Government of India has honoured him by conferring Rashtriya Samman for being one of the highest taxpayers during Assessment Years 1995-1996 to 1999 – 2000. He is also a noted philanthropist. He is the Founder of Trustees of Shree Mahavir Heart Foundation & Research Centre primarily catering to the needs of the Heart patients. He is the Chairman of Banking & Finance Committee of Bharat Chamber of Commerce. He does not hold any shares of the Company in his personal capacity. Your directors are of opinion that appointment of Shri Chandravadan Desai will be in the interest of the Company and hence recommends the same for approval of members.

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

Accordingly the copies of Register of Members, the index of Members, the Register and index of debenture holders and copies of all annual returns prepared under Section 159 and 160 together with the copies of certificates and documents required to the shares, share transfers, etc., are also being maintained by M/s Intime Spectrum Registry Limited. Pursuant to the provisions of Section 163 of the Companies Act, 1956, approval of the Members of the Company is required to maintain the copies of said registers, documents and records also at the Office of M/s. Intime Spectrum Registry Limited at C-13 Pannalal Silk Mills Compound, L.B.S. Marge, Bandup West, Mumbai 400078 or any other Registrar and Transfer Agent appointed in lieu thereof. The Board commends the special resolution for the approval of Members.

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

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

ITEM NO 7:

The Company has been informed by R & T Agent, M/s. MCS Limited, that they are in the process of finalizing the modalities with regard to the sale of their Registry business to M/s. Intime Spectrum Registry Ltd (ISRL). As such, in order to ensure smooth, uninterrupted and timely services to the investors, the Company has appointed **M/s. Intime Spectrum Registry Ltd as its New R & T Agent.**

Mumbai, 27th July 2006

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

V.D. BAJAJ
EXECUTIVE DIRECTOR

DIRECTORS' REPORT

**ANNUAL REPORT
2005-2006**

To
The Members of
RAMA NEWSPRINT AND PAPERS LIMITED

Your Directors are pleased to present the 15th Annual Report and the Audited Accounts for the Financial Year ended 31st March 2006.

FINANCIAL RESULTS

(Rs. in lakhs)

	Year Ended 31.03.2006	Year Ended 31.03.2005
Sales (Net of Excise Duty)	32210.64	28806.28
Other Income	268.47	670.30
Profit before Interest and Depreciation	4881.76	3614.20
Less: Interest & Lease rent*	2242.79	(350.27)
Profit / (Loss) before Depreciation and Tax & Extraordinary Item	2638.97	3964.47
Add: Extraordinary Item (remission in principal loan amount)	28.25	2522.27
Less: Depreciation	3199.67	3067.53
Tax – Current (Fringe Benefit Tax)	16.11	-
Less: Deferred Tax	11.39	1345.84
Net Profit / (Loss)	(559.95)	2073.37

*Includes excess liability written back of Nil (previous year Rs. 2142.30 lacs).

DIVIDEND

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

PERFORMANCE:

During the year under review the Company has undertaken various strategic measures to streamline and optimize its operations, which have yielded desired results. The healthy growth of Indian economy helped in continuing buoyancy in the demand for the newsprint as a result of which the Company was able to increase its sales and operational margins. However increased cost of borrowing affected the net margin. The Company has successfully commissioned 23MW TG Power Unit during the year, which has helped the Company in becoming self-sustainable in its power needs and considerably reducing its energy cost.

Due to buoyant demand and improved economic indicators, the Company is planning for expansion of its operations by adding one more paper machine and modernizing the existing Plant & Machinery, so as to achieve better efficiency and quality.

The Company has taken various forward-looking measures like increasing plant efficiency, improving product quality, bettering procurement practices, strengthening sales & marketing chain, streamlining internal control systems coupled with building cordial human relations and is looking for substantial growth in its capacity by way of expansion.

The Company has registered total production of 123109 MT during the year as compared to 118092 MT in the previous year showing growth of 4.25%.

The production of Newsprint and Writing & Printing varieties was 114867 MT and 8242 MT during the year under review, as compared to 100049 MT and 18043 MT, respectively in the preceding year.

The Company has registered sales volume of 119257 MT Newsprint and 8413 MT Writing & Printing paper as against 99744 MT and 19084 MT, respectively in the previous year. The over all sales was 127670 MT as compared to 118828 MT in the year ended 31st March 2005, showing a growth of 7.44%.

Your Company has achieved turnover of Rs. 32210.64 lacs (net of Excise Duty) as compared with turnover of Rs. 28806.28 lacs in the year 2004-05 - increase of 11.82%.

The company was able to achieve the zero stock of finished goods as on 31st March 2006, first time in its history.

CURRENT YEAR'S PROSPECTS:

The improvement in production was extended into the first quarter of 2006-07. Production of Newsprint and Writing & Printing paper increased from 30453 MT in 2005-06 first quarter (April-June) to 33084 MT in 2006-07 first quarter. Profit before Interest & Lease Rent, Depreciation and Tax during first quarter of 2006-07 was 2476.78 lacs as against Rs. 745.07 lacs in corresponding quarter of the previous year. Profit before Taxation was Rs. 1025.85 lacs in first quarter of 2006-07 as against loss of Rs. 478.57 lacs in first quarter of 2005-06.

The overall outlook for the year 2006-07 looks to be positive considering the fact that various strategic measures undertaken by the Company having already stated giving results. Accordingly operational efficiencies shall improve further as market scenario also continues to be good.

RAW MATERIAL

The Company use eco-friendly raw material of recycled fibre viz., Old Newspaper (ONP), 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 year under review though the availability of raw materials was normal, the prices saw rise due to rise in demand.

EXPORTS

The Company exported goods worth Rs. 527.72 lacs during the year as compared with Rs.1394.80 lacs of goods exported during the previous year ended 31st March 2005.

DIRECTORS' REPORT



CAPITAL REDUCTION

After implementation of the Corporate Debt Restructuring (CDR) scheme, the Company, with a view to streamline capital structure for optimum benefit to its stakeholders, has undertaken the proposal of reduction of its paid up equity share capital. The shareholders of the Company, at their meeting held on 23rd December 2005, have passed special resolution subject to approval of the High Court, approving the reduction of present equity paid up capital by way of (i) cancellation of Rs.7.50 for every equity share of Rs.10/- each fully paid up; and (ii) simultaneously consolidation of four (4) numbers of fully paid up equity shares of Rs 2.50 each into one equity share of the face value of Rs.10/- each fully paid [after cancellation of one fractional equity share], resulting in reduction in the issued, subscribed and paid up equity share capital of the Company from Rs.232,63,21,290 consisting of 23,26,32,129 equity shares of Rs. 10 each to Rs.58,15,80,320 consisting of 5,81,58,032 equity shares of Rs. 10 each fully paid up by adjusting (a) the debit balance in the profit & loss account amounting to Rs. 64,93,55,597 as on 31st March 2005 and (b) Creating Capital Reserve of Rs.109,53,85,373, on the Record/Book Closure date as may be fixed by the Board.

The Hon'ble High Court of Gujarat, Ahmedabad, vide Order dated 5th May 2006, has approved the above special resolution passed by the shareholders for reduction in the paid up equity share capital of the Company. A copy of the said Order was registered with the Registrar of Companies on 7th June 2006 consequent to which (i) Rs 7.50 of every equity share of Rs 10 each fully paid up stands cancelled and simultaneously four fully paid-up equity shares of Rs 2.50 each have been consolidated into one equity share of Rs.10 each fully paid [after cancellation of 1 (one) fractional equity share], resulting in reduction in the issued, subscribed and paid up equity share capital of the Company from Rs.232,63,21,290 consisting of 23,26,32,129 equity shares of Rs. 10 each to Rs. 58,15,80,320 consisting of 5,81,58,032 equity shares of Rs. 10 each fully paid-up, with effect from 7th June 2006.

The debit balance in the profit & loss account amounting to Rs. 64,93,55,597 as on 31st March 2005 stands adjusted against the part of the paid up share capital of Rs. 174,47,40,970 so cancelled in above manner and for the balance of the cancelled capital a Capital Reserve of Rs. 109,53,85,373 is created. The effect of reduction of paid up share capital, adjustment of the debit balance in the profit & loss account as on 31st March 2005 and creation of the Capital Reserve will be taken into consideration in the books of accounts for the accounting year 2006-2007.

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 year under review.

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 equity shares of the Company were delisting from Calcutta Stock Exchange (CSE). The Company has duly paid listing fees to stock exchanges.

DIRECTORS

During the year under review, ICICI Bank Limited appointed Shri Ashok Alladi as its nominee director w.e.f.04.08.2005 and withdrew the nomination of Shri R. Kannan w.e.f. 04.08.2005, who was appointed as Director on 30.12.2004.

Shri V.G. Pathak, Nominee Director of Western India Executors & Trustee Co. Ltd, resigned w.e.f. 28.06.2005.

Industrial Investment Bank of India (IIBI) has also withdrawn the nomination of Shri S Ramalingam as the Director of the Company w.e.f.30.06.2006

The Board of Directors has appointed Shri Madhukar V Gore as an additional director w.e.f 30.12.2005 who will hold the said position 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 Madhukar V Gore for post of Directorship of the Company.

Further, the Board of Directors has appointed Shri Chandravadan Desai as an additional director w.e.f. 27th July 2006, who will hold the said post 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 Chandravadan Desai for post of Directorship of the Company

Shri K L Chandak and Shri Haigreve Khaitan are retiring by rotation at the ensuing Annual General Meeting and being eligible have offered themselves for the re-appointment.

DIRECTORS' REPORT



The Directors place on record their note of appreciation of the valuable contribution made by Shri S Ramalingam, Shri V G Pathak and Shri R Kannan during their tenure as Directors of the Company.

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION & ANALYSIS

Report on Corporate Governance and Management Discussion and Analysis is made part of this 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 Annual 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 Exchanges, the Cash Flow Statement is attached to the Balance Sheet.

DEBENTURES

The Company has sent Debenture Redemption-cum-Interest Warrants dated 30th 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 debentures is kept in a separate Bank account with UTI Bank Limited, under instructions to Debenture Trustees.

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 31st March 2006 and Profit & 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 the 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 year ended 31st March 2006 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 of path of prosperity.

By Order of the Board

**S.K. BANGUR
CHAIRMAN**

Place: Mumbai,
Date: 27th July 2006.

ANNEXURE TO DIRECTORS' REPORT**ANNUAL REPORT
2005-2006****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 2006.

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 92.4%.
- ii) Installation of Krofta in both Paper Machines to reuse the water.
- iii) Based upon previous audit reports & observations, company had trimmed two water pumps in water treatment plant.
- iv) Interlock of couch pit agitators operation.
- v) Interlock of dry end pulper operation.
- vi) Reduction of operating frequency from 50.3 to 49.5 Hz.
- vii) Isolation of ideal transformers to save no load losses.
- viii) 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. To reduce water waste, by installing extra water line to transfers excess pure water to water treatment plant.
- b. Modifications in stock preparation system to bypass two chests.
- c. Going for voluntary energy audit from M/s. DSCL Energy Service Company Ltd.
- d. To reduce compressed air consumption, we are installing Air chiller in compressed air line.
- e. Installation of mega booster in Ash handling system in Utility to reduce compressed air consumption.

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 1095 KWh / Ton, against previous year's average of 1121

KWh / Ton. The specific power consumption will reduce further after implementation of various proposals under consideration. Specific consumption of coal has reduced from 1.290 MT/MT to 1.085 MT/MT, after commissioning of new 23 MW Power Unit.

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 ended 31.3.2006	Previous year ended 31.3.2005
Foreign Exchange Earning	487.70	1363.93
Foreign Exchange Used	5024.42	6886.79