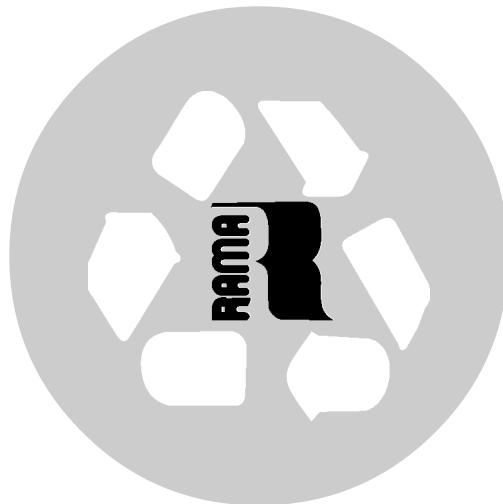


RAMA NEWSPRINT AND PAPERS LIMITED



19TH ANNUAL REPORT
2009 - 2010

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BOARD OF DIRECTORS

Shree Kumar Bangur

Virendra Bangur

K. L. Chandak

M. P. Taparia

Sudarshan Somani

Haigreave Khaitan

S. Doreswamy

Lt. Gen. (Retd) Ashok Kapur

Janak Mehta

V. D. Bajaj

Chairman

Vice Chairman

Director

Independent Director

Independent Director

Independent Director

Independent Director

Independent Director

Independent Director

Executive Director

Bankers

Bank of India

Oriental Bank of Commerce

Central Bank of India

Axis Bank Ltd.

Registered Office & Factory

Village Barbodhan, Taluka Olpad,

District Surat, Gujarat – 395 005.

Corporate Office

Shreeniwas House, 3rd Floor,

Hazarimal Somani Marg, Fort,

Mumbai – 400 001

Ph. : 22016798/ 6825/ 6704/ 3807

Fax : 22016803

E – mail : ramanewsprint@ramanewsprint.com

Website : www.ramanewsprint.com

Registrar & Transfer Agent

LINK INTIME INDIA PVT. LTD.

Unit : Rama Newsprint & Papers Ltd.

C – 13, Pannalal Silk Mills Compoud,

L.B.S Marg, Bhandup (W),

Mumbai – 400 078.

Ph. : 022 – 25963838

Fax : 022 – 25946969

Auditors

Haribhakti & Co., Mumbai

Advocates & Solicitors

Khaitan & Co., Mumbai.

Vice President (F & A) &

Company Secretary

Girish Sharma

NOTICE

ANNUAL REPORT 2009 - 2010

NOTICE IS HEREBY GIVEN THAT THE 19th ANNUAL GENERAL MEETING OF THE MEMBERS OF RAMA NEWSPRINT AND PAPERS LIMITED WILL BE HELD ON WEDNESDAY, 29TH SEPTEMBER, 2010 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 2010, 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 Shree Kumar Bangur, who retires by rotation at the ensuing Annual General Meeting and being eligible, has offered himself for 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 re-appointment.
- (4) 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 re-appointment.
- (5) 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

- (6) To consider and, if thought fit, to pass, with or without modification, the following resolution as an Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 198, 269, 309 and Schedule XIII, and all other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be required, consent of the company be and is hereby granted for the following terms of remuneration of Shri V. D. Bajaj, Executive Director for the period from 1st April, 2010 to 8th January, 2011.

A. EMOLUMENTS :

- i) Salary: Rs.253692/- (Rupees Two Lacs fifty three thousand six hundred and ninety two) per month.
- ii) Special allowance: Rs. 8000/- (Rupees Eight thousand) per month.

B. PERQUISITES :

- i) Housing: Furnished accommodation with free electricity, water and gas supply.
- ii) Medical Reimbursement: Medical and Hospitalisation benefits for him and his family by way of reimbursement of expenses actually incurred, the total cost of which to the Company shall not exceed one month's salary in a year or three months' salary over a period of three years.

- iii) Leave: On full pay in accordance with the Rules of the Company.
- iv) Leave Travel Concession: For him and his family once in a year in accordance with the Rules of the Company.
- v) Club Fees: Fees and subscription of two clubs.
- vi) Personal Accident Insurance: Premium as per the Rules of the Company.
- vii) Provident Fund: Contribution to Provident Fund in accordance with the Rules of the Company.
- viii) Gratuity: One half month's salary for each completed year of service in accordance with the Rules of the company. The past period of his service as an Executive Director of the Company will be reckoned for determining the completed years of service.
- ix) Conveyance: Provision of Car for use on the Company's Business. In case Car is not provided, then reimbursement of expenses incurred on conveyance up to Rs.60,000/- (Rs. Sixty Thousand Only) per month.
- x) Telephone: Free telephone facility at residence.
- xi) Other benefits as are applicable to other senior executives of the Company (including but not limited to production / incentive bonus, ex-gratia, encashment of leave, subject to a maximum of Ninety days, compensatory allowance in accordance with the schemes of the Company).

"RESOLVED FURTHER THAT in the event of any modification or revision in the provisions of remuneration payable to whole time directors, as set out in Schedule XIII of the Companies Act, 1956, the Remuneration Committee of Directors shall be entitled at its discretion to revise the remuneration payable to Shri V. D. Bajaj from the date of such modification or revision, without any further reference to the Company in general meeting."

"RESOLVED FURTHER THAT the consent of the Company be and is hereby granted and deemed to have been granted to pay Shri V. D. Bajaj, in the event of no profit or inadequate profit, minimum remuneration by way of salary, perquisites and other allowances, on the terms and conditions mentioned above, and in accordance with the applicable provisions of Schedule XIII of the Companies Act, 1956 and subject to the approval of the Central Government, if required."

"RESOLVED FURTHER THAT the Board of Directors of the Company or a Committee thereof be and is hereby authorized to vary and/or revise the remuneration of the said Executive Director within the overall limits approved herein and settle any question or difficulty in connection therewith and incidental thereto."

By Order of the Board
For RAMA NEWSPRINT AND PAPERS LIMITED

Girish Sharma
Vice President (F & A) & Company Secretary

Mumbai, Date: 11.08.2010

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 Explanatory Statement Pursuant to section 173(2) of the Companies Act, 1956 is annexed hereto. Books of the Company shall remain closed from 18th September 2010 to 29th September 2010 (both days inclusive).
4. Members are requested to notify immediately any change in their Registered Address to the Company's Registrar, LINK INTIME INDIA PVT LIMITED, Unit: Rama Newsprint & Papers Ltd, C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400078.
5. 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.
6. 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.
7. 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.
8. 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.
10. Investors / Shareholders are requested to kindly note that as per SEBI notification MRD/DOP/Cir-05/2009 dated.20th May 2009, it is mandatory for the transferee(s) to furnish a copy of PAN card to the Company/RTAs for registration of any transfer of shares in physical form.

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

ITEM NO. 6

The Board of Directors in its meeting held on 08th January, 2007 re-appointed Shri V. D. Bajaj as Executive Director for a further period of 4 (four) years w.e.f. January 09th, 2007. The re-appointment of Shri V. D. Bajaj as Executive Director and the terms and conditions of his remuneration were also approved by the members of the Company by way of an ordinary resolution in their meeting held on 27th September 2007.

However, due to inadequacy of profit during the year ended 31.03.2008 the terms of remuneration of Shri V. D. Bajaj from the period from 1st April 2008 to 31st March 2010 were approved by the members of the Company by way of special resolution in the Annual General Meeting held on 19.09.2008.

The terms of remuneration of Shri V. D. Bajaj for his remaining term as Executive Director from 1st April 2010 to 8th January 2011 as approved by the Remuneration Committee in its meeting held on 05.05.2010 are required to be approved by the members by way of a special resolution.

The terms of remuneration are consistent with industry norms and accordingly the Director commend the resolution for approval of members.

Shri V. D. Bajaj is interested in the Resolution since it concerns his own remuneration.

None of the other Directors is interested in the passing of the resolution.

This Explanatory Statement together with the accompanying notice may be treated as an abstract of the terms of remuneration of Shri V.D.Bajaj, Executive Director and Memorandum Of Interest under Section 302(7) of the Companies Act, 1956.

Information required under Clause (iv) of proviso to paragraph 1(B) of Section II of Part II of Schedule XIII of the Companies Act, 1956

I. General Information

(1) Nature of Industry

The Company is engaged in the manufacture and sale of Newsprint and Writing & Printing Paper.

(2) Date of commencement of commercial production.

The company commenced commercial production in August 1996.

(3) In case of new companies, expected date of commencement of activities.

Not applicable, as the company is an existing company.

(4) Financial performance based on given indicators

(Rs. In lacs)

	31.03.08	31.03.09	31.03.10
Sales (Gross)	35,648.37	34,228.45	31,222.78
Profit / Loss before Tax	181.75	(4,854.40)	(6,813.74)
Profit / Loss after Tax	106.59	(2,727.09)	(5,664.56)
Shareholders' Funds	30,534.09	28,535.14	28,535.14

(5) Export Performance and net foreign exchange collaborations

The FOB value of the company's exports was Rs.68.82 lacs in 2007-08, Rs. 95.42 lacs in 2008-09 and Rs. 1,066.95 lacs in 2009-10.

(6) Foreign investments or collaborators, if any - NIL

II. Information about the appointee

(i) Background details

Shri V.D. Bajaj, Masters in Commerce – Gold Medallist with over 40 years of Industrial Experience in Paper

NOTICE

Industry. He is an Executive Director of the Company since 9th January, 2004.

(ii) Past Remuneration

For the financial year 2009-10 Shri V.D. Bajaj's total remuneration was Rs. 41.22 Lacs.

(iii) Recognition or awards/ Job Profile and his suitability

Shri V.D. Bajaj has managed the company ably over the past six years, despite the cyclical nature of the business in which the company is engaged. In the opinion of the Board, he is eminently suited for the position he holds.

(iv) Remuneration proposed

The remuneration of Shri. V.D. Bajaj is set out above.

(v) Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person.

The substantive remuneration of Shri. V.D. Bajaj is not out of tune with the remuneration in similar sized industries in same segment of business.

(vi) Pecuniary relationship directly or indirectly with the

company or relationship with managerial personnel, if any

Other than the remuneration stated above, Shri. V.D. Bajaj has no other pecuniary relationship directly or indirectly with the Company.

III. Other Information

1. Reasons for inadequate profits

The performance of the Company during the year ended 31st March 2010, as explained in the Directors' Report and Management Discussions and Analysis annexed, was adversely affected due to substantial dip in the capacity utilisation to rationalise inventory holding, continued pressure on selling price and inadequate respite in the cost of inputs.

2. Steps taken or proposed to be taken for improvement.

With the growth in demand and increase in the selling prices of domestic newsprint from the quarter beginning April, 2010 and the further increase expected in the coming quarters, the Company expects an improved performance during 2010-11.

**DETAILS OF THE DIRECTOR SEEKING RE-APPOINTMENT IN FORTHCOMING ANNUAL GENERAL MEETING
(In pursuance of Clause 49 of the Listing Agreement)**

Name of Director	Shri Shree Kumar Bangur	Shri Virendra Bangur	Shri K. L. Chandak
Date of Birth	16.11.1949	19.03.1975	29.08.1946
Qualifications	B.Com.	B.Com.	B.Com., ACA
Expertise in specific functional areas	An industrialist of repute with extensive experience of paper industry and general management of Corporate & Industrial affairs. He is also past president of Indian Paper Manufacturers Association. He is also a Committee Member of Federation of Indian Chamber of Commerce & Industry (FICCI), Indian Chamber of Commerce and Bharat Chamber of Commerce.	He is an Industrialist of repute with extensive experience of management and administration of corporate affairs.	He is Executive Director of The West Coast Paper Mills Ltd., A coveted rank-holder in India's Chartered Accountancy examination. He has expertise in Finance and Accounts as well as general administration and management of Company Affairs.
Directorship in Other Companies	The West Coast Paper Mills Ltd., The Diamond Company Ltd., Jayshree Chemicals Ltd., The Kil Kotagiri Tea & Coffee Estates Co. Ltd., Mothola Company Ltd., Shree Satyanarayan Investments Co. Ltd., Union Company Ltd. Gloster Telecom Ltd., Hindustan National Glass & Industries Ltd., Laxmi Asbestos Products Ltd., Shree Satyanarayan Properties Pvt. Ltd. and Marwar Textiles (Agency) Pvt. Ltd.	Akhiva Tea Plantations & Agro Industries Limited, Gold Mohore Investment Company Ltd., Jayshree Chemicals Ltd., Taparia Tools Ltd., Union Company Ltd., High Profile Travels Pvt. Ltd., Shree Satyanarayan Properties Pvt. Ltd. and Suraj Agencies Pvt. Ltd.	Bahubali Paper Ltd. and The West Coast Paper Mills Ltd.
Membership of Committees of Board of other Companies	Remuneration Committee : Jayshree Chemicals Ltd.	Investors' Grievance Committee : Jayshree Chemicals Ltd.	NIL
Share holding in the Company	18,38,610	2,45,352	6,250

DIRECTORS' REPORT



To
The Members of
RAMA NEWSPRINT AND PAPERS LIMITED

Your Directors are pleased to present the 19th Annual Report and the Audited Accounts for the Financial Year ended 31st March 2010.

FINANCIAL RESULTS

	(Rs. in lacs)	
	Year Ended 31.03.2010	Year Ended 31.03.2009
Sales (Net of Excise Duty)	30,911.72	34,222.03
Other Income	581.95	452.87
Profit before Interest and Depreciation	(108.10)	2,200.99
Less: Interest & Lease rent	3,241.56	3,620.12
Profit/(Loss) before Depreciation and Tax	3,349.66	(1,419.12)
Less: Depreciation	3,464.08	3,435.28
Less: Current Tax (Fringe Benefit Tax)	-	17.00
Less: Deferred Tax	(1,149.18)	(2,144.31)
Net Profit / (Loss)	(5,664.56)	(2,727.09)

DIVIDEND

In view of the loss suffered by the Company during the year under review, the Company is not in a position to pay any dividend.

PERFORMANCE DURING 2009-10

The historic recession which had embraced worldwide economy in the 2nd half of F.Y.2008-09 continued its effect on the demand and consumption of Newsprint in the year under review also. The Company had to resort to supply management and also had to shift a part of production to Writing & Printing varieties so as to ease pressure on Newsprint. As a result, the saleable production during the year under review was 1,04,931 MT (including 33,082 MT of Writing & Printing paper) against 1,24,509 MT (including 81 MT of Writing & Printing paper) during 2008-09. The capacity utilization during the year was lower at 80%. The Company registered a sales volume of 1,19,395 MT (including 30,003 MT of Writing & Printing Paper) as against 1,09,111 MT (including 2,584 MT of Writing & Printing paper) in 2008-09. The stock of finished goods which was 19,939 MT in the beginning of the year came down to 5,472 MT as on 31.03.2010.

The major impact on the profitability of the Company during the year is due to substantial dip in the capacity utilization, continued pressure on selling prices and not adequate and matching respite in the cost of inputs. However, the Company continued its efforts to optimize the operating and productivity parameters at the mills.

The situation on the international front was also no different and especially countries like USA, Canada, Europe etc. continued to see negative growth and therefore had to resort to production cuts and shutting down of the uneconomic plants. However, from January – March, 2010 quarter there was some upward movement in the international prices of Newsprint, which brought back the hope of the bottoming up of the declining trend.

In spite of the adverse condition as stated above, the Company met all its debt repayment obligations successfully. However, with a view to strengthen its financials, the Company plans to

come out with a Rights Issue of Equity Shares of upto Rs.50 crores for which necessary steps have been initiated.

CURRENT YEAR'S PROSPECTS AND FUTURE PLANS

The consumption of Newsprint is directly linked to the growth in the economy. Fortunately, Indian economy showed a positive GDP growth of 7.5% in the F.Y. 2009-10 and it is expected to grow at about 9% during the F.Y. 2010-11. The signs of recovery are clearly visible in the growth in manufacturing and service sectors. The flow of advertisement has improved both from the Government sector and also the promotional advertisements from the Corporate sector. This has helped in increasing back the pagination of the newspapers and magazines and consequently has increased the consumption of Newsprint in India.

Robust demand has helped the international players to push up the prices of Newsprint by about US \$ 60/MT from the quarter beginning April, 2010. The domestic manufacturers could also get an increase of about Rs.2500-Rs.3000/MT during this quarter. However, this much jump in prices is not sufficient to meet the losses of manufacturers & therefore with continuing growth in demand, it is expected that this trend will continue through-out the year and the Company will be able to optimize the capacity utilization and improve the profitability.

Further, the Company has identified certain low value Capex items with quick payback period which shall improve the productivity at Mills and shall help in improving the profitability of the Company. The Company is in the process of trying up funds for the same.

Besides, the Company is planning to unlock the value of locked assets and for this purpose have identified the following areas:

1. Export of surplus power from the existing power generating facility.
2. Earmarking about 250 acres of land for developing a Special Economic Zone.

RAW MATERIAL

The Company uses eco friendly recycled fibre as main raw material. The blending of purchased pulp is done as per the quality requirement in the final product. The recycled fibre and pulp are sourced from domestic sources as well as from imports. It is heartening to note that world wide awareness for recycling and reuse of the precious fibre is increasing and therefore the recovery percentage of recycled fibre is improving day by day. The Company is duly complying with all the requirements under Hazardous Material (Management, Handling and Transboundary Movement) Rules, 2007.

CORPORATE SOCIAL RESPONSIBILITY

The Company is conscious about its social responsibilities towards the public living within the vicinity of its Mills. The Company continues to impart regular health check facilities for the community in the nearby villages and distribute free medicines to the needy apart from supplying free Drinking Water on a regular basis to the nearby villages.

The Company has opened a modern English Medium School to impart quality education to the students in the vicinity. In addition, the Company also undertakes various community welfare jobs as and when needed.

DIRECTORS' REPORT

**ANNUAL REPORT
2009 - 2010**

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 and of the profit of the company for that period;
3. 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 Bombay Stock Exchange Ltd. (BSE) and National Stock Exchange of India Ltd. (NSE). The Company has duly paid listing fees to the stock exchanges.

DIRECTORS

During the year under review, Shri Vashu Ramsinghani and Shri Amit Ramsinghani resigned on 31st March 2010 due to their personal commitments.

The Directors place on record their appreciation of the valuable contribution made by Shri Vashu Ramsinghani & Shri Amit Ramsinghani during their tenure as Directors of the Company.

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

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

Particulars of employees under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975 as amended to date, are furnished as per Annexure-IV

CORPORATE GOVERNANCE & MANAGEMENT DISCUSSION & ANALYSIS

Report on Corporate Governance is made part of this Annual Report as Annexure – II and Management Discussion and Analysis Report as Annexure – III.

As required by the Listing Agreements, the Certificate of Auditors on Corporate Governance compliance is also annexed to this Annual Report.

The Certificate from CEO/CFO was placed before the Board of Directors at the meeting held on 29th May 2010.

CASH FLOW STATEMENT

As required under clause 32 of the listing agreement with the Stock Exchanges, the Cash Flow Statement is attached to the Balance Sheet.

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.

AUDITORS' REPORT

The Notes to accounts, forming part of Balance Sheet as at 31st March 2010 and Profit & Loss Account for the year ended on that date, referred to in the Auditors' 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 has appointed Shri. Narottam Tola, a qualified Cost Accountant for conducting the audit of cost account records for the year ended 31st March 2010 and the Cost Audit report will be submitted to the Ministry of Corporate Affairs, Government of India in due course.

INDUSTRIAL RELATIONS

The industrial relations continued to remain cordial throughout the year under review except during the period from 12.1.2010 to 7.2.2010 when employee's unions were on strike for wage revision and production suffered. However, despatches of finished goods continued even during the strike period. The management has entered into a long term settlement with the employee's unions assuring complete industrial peace and harmony.

ACKNOWLEDGEMENT

The Directors wish to place on record and acknowledge their appreciation and gratitude for the continued co-operation and support received from the Central Government, the State Government of Gujarat, Regulatory Bodies, participating Financial Institutions and Banks, 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. Your Directors further thank the fraternity of Members/Shareholders for their continued confidence reposed in the management of the Company.

By Order of the Board

Place: Mumbai
Date: 29.05.2010

**S. K. BANGUR
CHAIRMAN**

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 2010.

A. CONSERVATION OF ENERGY

1. ENERGY CONSERVATION MEASURES TAKEN:

Following measures have been taken during 2009-10 for energy conservation –

- i) Firing of ETP sludge in Boiler.
- ii) Trimming of Impeller of Dump Tower Feed Pump in FDP-II.
- iii) Reduction in Speed of Gould Pump in FDP-II
- iv) The recirculation pump of Dump Tower of FDP-I has been stopped without any effect on process performance.
- v) Replacement of motor in FDP-II with standard 415 V ABB make motor.
- vi) Trimming of impeller of Krofta Feed Pump (by 8%) in FDP-II.
- vii) The speeds of FDP-I Dump chest agitator & FDP-II storage tower agitator reduced by 10%..
- viii) The standby pump (with 75 Kw Motor) in FDP-I taken into operation in place of pump (with 110 KW motor)
- ix) Replacement of blades of New Cooling Tower Fans No. 1,2 & 3 by energy efficient FRP blades of modified design.
- x) Secondary Fine screen Motor in FDP-I converted from Delta connection to Star connection.
- xi) The speed of HD Tower Agitator in FDP-I was reduced by changing the motor pulley.
- xii) In Paper Machine No.-II Blending Chest bypassed and thus saving power consumption of one pump and one agitator. (During Newsprint run only)
- xiii) The speed of De-ink chest agitator in Paper Machine II is reduced by changing the pulley.
- xiv) In compressor House Refrigeration Air Dryer started in place of HOC dryer.

2. WATER CONSERVATION MEASURES TAKEN:

- i) Reuse of drain water at W.T.P from Lamella Clarifier .
- ii) Utilization of rain water collected in guard pond for use as make up water in Fire Reservoir tank.
- iii) Fresh Water replaced with ETP water in gland cooling circuit of Drum screen accept pump & Sludge chest pump in FDP-I.
- iv) Sealing water for Vacuum pump of M. C. Pump replaced from fresh water to ETP water in FDP-I.
- v) Sealing water for Vacuum pump no.1 and 2 of ENSO washers replaced from fresh water to ETP water in FDP-II.
- vi) Replacement of use of Fresh Water for cleaning at Basement under the dryer hood and for fire emergency hose pipe tapping with ETP Water in Paper Machine No.-II.

- vii) Use of Back water for make up water in clear water tank in Paper Machine No.-II to replace fresh water.

3. ENERGY CONSERVATION MEASURES PROPOSED FOR FUTURE:

- i) To reduce the power and air consumption in compressor house, small size paper feeding nozzles will be provided in both the Paper Machines.
- ii) Replacement of the blades of Paper Machine Hood exhausts fans by Energy Efficient FRP Fans.
- iii) To replace existing propeller of both machine chest and broke dump chest to reduce power consumption.
- iv) Reduce the speed of dry-end pulper by 15% to reduce power consumption in Paper Machine No.-I.
- v) To replace the existing 132 KW motor of Primary pressure screen in Paper Machine No.-I by a new 110 KW motor.
- vi) Installation of VFD in Power Boiler CE-4 & AP-2 Fans for power saving.

4. WATER CONSERVATION MEASURES PROPOSED FOR FUTURE:

- i) To reduce fresh water consumption by utilization of Cooling Tower blow down water as make up water in fire reservoir.
- ii) To reduce fresh water consumption by utilization of back wash water of ACF & DMF unit of DM plant in Cooling Tower.
- iii) To reduce the consumption of fresh water in paper machines, excess back water can be stored and used when required. Proposed for storing back water storage tank of 800 M3 Capacity is under consideration.
- iv) To instal suitable Instrument Valve in Wire lubrication shower main header to reduce the Water consumption during wash-up.

5. IMPACT OF MEASURES (1&2) ARE:

Reduction in consumption of Fresh water & Power consumed for production of Newsprint Papers as well as Writing and Printing Papers. Specific water consumption will also come down during normal running of plant. Apprx. reduction in power consumption of 3200 kWh/Day and reduction in water consumption of 457 M3/day of paper is achieved over the previous year.

B. TECHNOLOGY ABSORPTION

Effort made in Technology Absorption adoption & innovation as per Form B – enclosed.

C. FOREIGN EXCHANGE EARNING AND OUTGO

Rs. (In Lacs)

	Current year ended 31.3.2010	Previous year ended 31.3.2009
Foreign Exchange Earning	1,066.95	95.42
Foreign Exchange Used	8,170.62	8,806.23

ANNEXURE TO DIRECTORS' REPORT

**ANNUAL REPORT
2009 - 2010**

FORM - A

Form of Disclosure of particulars with respect to Conservation of Energy

A) Power and Fuel Consumption

Sr. No.	For the Year ended 31.03.10	For the Year ended 31.03.09
1. Electricity		
a) Purchased		
Units (Kwh in thousand)	2522	4974
Total Amount (Rs. in lacs)	356.27	494.76
Rate/Unit (Rs)	14.12	9.95
b) Own Generation		
I. Through Diesel Generator		
Units (Kwh in thousand)	2	35
Unit per Litre of Diesel/Oil	3.31	3.47
Rate/Unit (Rs)	10.38	8.92
II. Through Steam Turbine/Generator		
Unit (Kwh in thousand)	11,3128	1,26,666
Rate/Unit (Rs)	2.73	2.73
2. Coal		
Quantity (MT)	13,5085	1,57,902
Total Cost (Rs. In lacs)	4,326.48	5,249.60
Average rate (Rs. Per MT)	3203	3325
3. Furnace Oil		
Quantity (K.Ltr)	Nil	Nil
Total Amount (Rs. In lacs)	Nil	Nil
Average rate (Rs. Per K. Ltr)	Nil	Nil

B) Consumption per MT of Production of Newsprint / Writing & Printing Paper

	For the Year ended 31.03.10	For the Year ended 31.03.09
Electricity (kwh)	1,102	1,050
Furnace Oil (K. Ltr)	Nil	Nil
Coal (kgs)	1,287	1,260

FORM - B

Form for disclosure of particulars with respect to Technology Absorption

RESEARCH AND DEVELOPMENT (R & D)

- Lab evaluation of raw material for developing writing & printing grade paper.
- Lab study carried out to select specialty chemicals/additives for writing & printing grade paper.
- Lab studies followed by plant trial carried out to select alternative source of Dye for cost reduction without effecting quality and one indigenous product has been substituted with imported chemical. Substantial cost reduction achieved.
- Development of high brightness maplitho & IPO grade paper. Based on lab scale results, plant trial of de-inking chemical for writing & printing paper for cost effectiveness was taken and established.
- Lab and plant trials carried out to evaluate the performance of using cationic starch with respect to fluff reduction. Substantial fluff reduction achieved along with cost reduction by way of better retention, improved high ash and sheet properties.
- Lab evaluation of five OBA samples against existing chemical being used, two products selected as substitute
- Based on lab results, plant trial of OBA initiated for better brightness and whiteness on paper.
- Lab study followed by plant trial was taken as alternative indigenous source of biocide for cost reduction without affecting quality and machine run ability. Product is established with cost reduction.
- Lab study carried out to select alternative source of PAC for sludge dewatering for cost reduction and substantial cost reduction achieved.
- Mapping of different process parameter of FDP-I & FDP-II for process improvement.

TECHNOLOGY ABSORPTION,ADOPTION AND INNOVATION

- Efforts in brief made towards technology absorption, adoption and innovation:**
 - Firing of ETP sludge in CE-4 Boiler furnace as non conventional fuel through existing under feed system alongwith coal.
 - Installation and commissioning of Variable Frequency Drive (VFD) in the Screw Press at E. T. Plant for better removal of moisture from the sludge.
 - Installation of Online Dryer screen cleaning system in Paper Machine No.-I
 - Up-gradation of UNIX based station by Window XP system.
- Benefits derived as a result of above efforts:**
 - Use of waste by-product and reduction in coal consumption.
 - Improvement in dryness of ETP sludge.
 - To have better control over sticky breaks and reduced steam demand due to better permeability of fabric after installation of Online Shower
 - Improved/upgraded technology for reliability in operation.
- Details of Project Development work in the field of Energy which are in Progress:**
 - Up-gradation of Dense Phase Ash Handling System for Power Boiler AP-2.
 - Electronic governor & DCS system for Siemens Turbo Generator.