



# Rama Paper Mills Limited

Registered Office & Works : 4th km. Stone Najibabad Road Kiratpur-246731 Distt. Bijnor  
Telefax. 01341-240206, 240300-02 e-mail : ramapaper@cjnet4u.com, works@ramapaper.com

Dated : 23.08.04

The Senior Manager,  
Bank of Baroda,  
Basi Kiratpur,

Dear Sir,

In continuation to our discussion and applications for enhancement of credit facilities, we would like to bring to your kind attention the companies efforts towards green power generation. As you are aware, renewable energy power projects reduce Green House Gases and are eligible for carbon credits, which generate revenues for every ton of Carbon Dioxide saved. In order to avail this benefits and also to overcome the interrupted and erroneous power supply from grid, the company is proposing to install a biomass based cogeneration plant for captive consumption, which will ensure continuous quality green power supply to the company and further improve the quality of production.

Company is in discussion with electrical consultants and on the basis of current consumption, they view 6 MW power plant is needed for our existing paper plants. Cost of installation is estimated at Rs. 3.5 Crore per MW thus total project cost will be approx. Rs. 21 Crore. In order to take up this project, we would need financial help from your bank in terms of term loan.

As indicated, the proposed power project shall be eligible for carbon credit and company will be able to generate revenue from sale of CER's to the tune of approximately Rs. 50 lacs per annum.

Considering the above mentioned facts, we would like you to consider our request and intimate in principal approval so that we can proceed on this project and appoint consultant to prepare Detailed Project Report to enable us to submit it to you for formal application for term loan.

Thanking you,

For RAMA PAPER MILLS LIMITED

  
ARUN GOEL  
EXECUTIVE DIRECTOR



Ref. No.

Dated.....

Date: 21-09-2004

M/s Rama Papers Mills Ltd  
Hayibabadi Road,  
Kisatpur,

Dear Sir,

Re:- Your letter for loan request.

In reference to above, our central office has following observations:-

1. The Company has poor financials and current ratio as on 31-03-04 is 0.96.
2. Present debt equity ratio of 7.18 is very high. TNW of the Company as on 31-03-04 is Rs. 0.64 crores only.
3. Payment of DTS amount to PNB will last until March, 2006.

Considering the above facts and repayment commitment of DTS amount we are not in a position to entertain your request.

Yours faithfully

Sr. Branch manager  
Bank of Baroda