

H. & R. JOHNSON (INDIA) LIMITED

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EXTRACT OF THE DISCUSSION OF THE EXECUTIVE COMMITTEE, HEADED BY THE MANAGING DIRECTOR OF H. & R. JOHNSON (INDIA) LTD., HELD ON 19th May 2005 AT MUMBAI.

Setting up of Continuous Smelters to replace Batch Smelters to enhance Energy Efficiency at Karaikal.

The Committee met, along with other agenda items, to discuss on the implementation of Continuous Smelters for Frit Production for H. & R. Johnson (India) Ltd., Karaikal Facility.

The Committee was informed about different options for manufacturing frit. In the meeting all the options available, their merits and demerits were discussed.

The Committee has analyzed and further discussed about the alternative options available. Please refer to Annexure – I; Capex Approval along with Financial Analysis for further details.

It was further explained that the usual practice in the industries is use of cost-efficient batch type smelters to manufacture frits. However, they are energy inefficient. Coal gas based batch smelter plant is preferred on account of cost efficiency, consistent availability of coal and lower fuel cost when compared to other options.

It was further informed that under Kyoto protocol some financial support was available for projects enhancing energy efficiency in the developing countries, which reduces the emission of Green House Gases. Reduction of green house gases can be converted in to carbon credit and these credits are traded in the international market. The proposed project envisages reducing GHG emission by setting up Natural Gas Fired Continuous Smelters in place of Batch Type Smelters which greatly increases the fuel efficiency by burning fuel more efficiently. Revenue generated through sale of carbon credits may make project quite viable.

The Committee is pleased to accord its approval as part of its Capital Expenditure Plan for setting up Continuous Smelters for manufacturing frits at its Karaikal Facility in Pondicherry.

The Committee has agreed to take necessary steps for getting this project registered for carbon credits.

(Vijay Aggarwal)
Managing Director



Leadership Through Innovation

