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# 25<sup>th</sup>

## Annual Report

Building a  
bright future

**2004-05**

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# Board of Directors

Board of Directors	Thiru RAMESHRAM MISHRA, I.A.S. (Holding additional charge as Chairman & Managing Director)	Director
	Thiru K GNANADESIKAN, I.A.S.	Director
	Thiru R S KANNA, I.A.S.	Director
	Thiru R S AGARWAL	Director
	Thiru V R MEHTA	Director
	Thiru V NARAYANAN	Director
	Thiru R R BHANDARI	Director
	Thiru G PRABHAKARA	Director
	Thiru N KUMARAVELU Thiru A VELLIANGIRI	Director Director (Finance)
Registered Office	67, Mount Road Guindy Chennai - 600 032	
Factory	Kagithapuram - 639 136 Karur District, Tamil Nadu	
Auditors	V. KRISHNAN & Co Chartered Accountants 'Prabhu Apartments' Flat - B Ground Floor, No. 18, Sadullah Street T. Nagar, Chennai - 600 017	
Bankers	Canara Bank Indian Bank Indian Overseas Bank Oriental Bank of Commerce State Bank of India State Bank of Patiala Syndicate Bank The Karur Vysya Bank Ltd.	

# Distinctions

The Institute of Company Secretaries of India (ICSI), New Delhi, has conferred on TNPL the 'ICSI National Award for Excellence in Corporate Governance' for the year 2004, in recognition of its application of best management practices, compliance of law in true letter and spirit and adherence to ethical standards for effective management and distribution of wealth and discharge of social responsibility for sustainable development of all stakeholders.

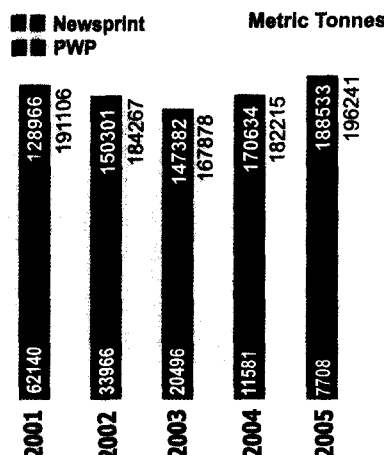
The Centre for Science and Economics, New Delhi has awarded TNPL "3 leaf - Green Rating" award in appreciation of its environmental management system.

Confederation of Indian Industry has recognized the bio-methanation project implemented by TNPL as an "Innovative Project".

TNPL has bagged the CAPEXIL award for the sixth successive year for its outstanding export performance during 2003-04.



Mr. Rameshram Mishra, IAS, Chairman and Managing Director, TNPL, receiving the **ICSI National Award for Excellence in Corporate Governance** from Mr. Premchand Gupta, Hon'ble Union Minister of State for Company Affairs, at a function in New Delhi.



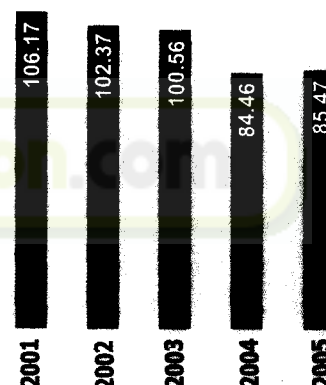
## Production

The Printing and Writing paper production was at an all time high at 188533 MTs. The Newsprint production was 7708 MTs.

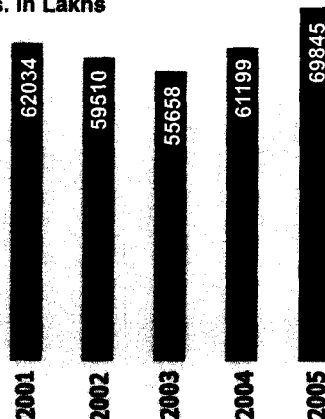
## Capacity Utilisation

The overall Capacity Utilization was 85.47% despite stoppage of paper machines for 58 machine days due to water shortage.

Percentage (%)



Rs. in Lakhs



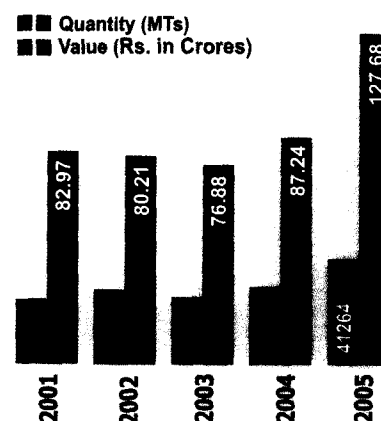
## Sales and other Income

Sales and other income peaked at an all-time high of Rs. 698.45 Crores against Rs. 611.99 Crores in the previous year. The sales also includes export of power to the state grid valuing at Rs. 29.27 Crores. TNPL has achieved zero stock of Newsprint and Printing & Writing paper at the end of the year.

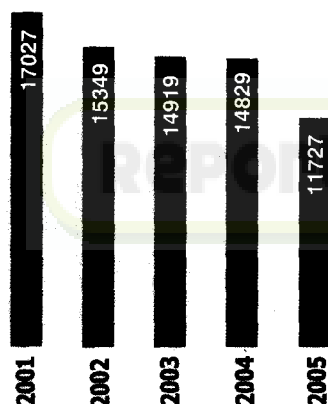


## Exports

Exports were at an all time high, at 41264 MTs compared to 30098 MTs in the previous year. The exports are expected to go up further in the current year.



Rs. in Lakhs



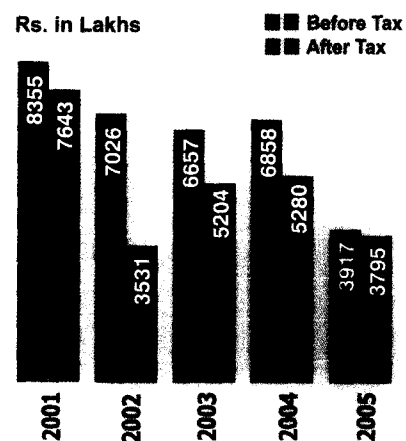
## Gross Profit

Earnings before Interest, Depreciation and Taxes was Rs. 117.27 Crores against Rs. 148.29 Crores in the previous year. Rs. 16.21 Crores has been provided for finance charges and Rs. 61.88 Crores for depreciation.

## Net Profit

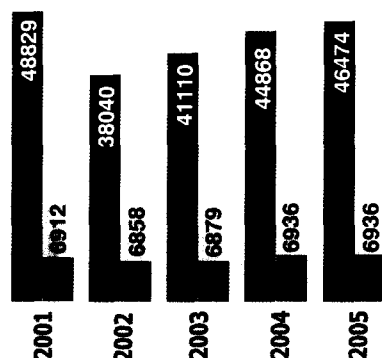
The Profit Before Tax was Rs. 39.17 Crores against Rs. 68.58 Crores in the previous year. The Profit After Tax was Rs. 37.95 Crores against Rs. 52.80 Crores in the previous year.

Rs. in Lakhs



■ Equity Capital  
■ Net Worth

Rs. in Lakhs

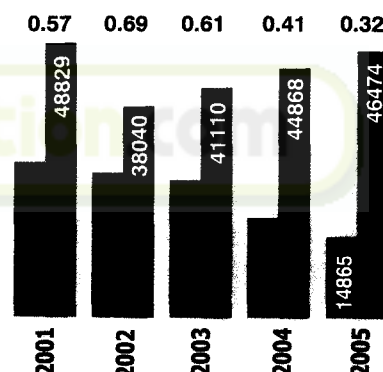


## Equity Capital and Net Worth

The Network has increased to Rs. 464.74 Crores. The book value per share works out to Rs. 66.74.

■ Debt  
■ Equity

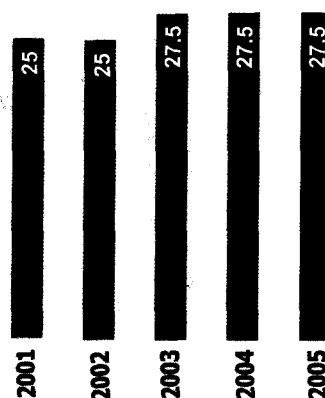
Rs. in Lakhs



## Debt-Equity Ratio

The Debt-Equity ratio is reflective of TNPL's financial competitiveness. With sustained profits and repayment of loans, the Debt-Equity ratio has been reduced to 0.32:1.

Percentage (%)



## Dividend

The Dividend, as in the previous two years, is maintained at 27.5%.

# Technology

A manufacturing unit can be globally competitive only through economies of scale and continuous upgradation of technology. Keeping this in view, TNPL has increased the capacity to 230000 tpa and is upgrading the technology continually. Now, TNPL stands as one of the largest and most modern paper mills in India.

TNPL's infrastructure comprises two of the world's finest new generation paper machines. Together, these machines can deliver 750 tpd of Printing and Writing paper with substance ranging from 50 to 80 gsm. The Nipcoflex shoe press installed in both the machines facilitates increased machine speeds and quality of paper.

The installation of two of the world's best online sheeting and packaging machinery has elevated TNPL's paper conversion facility to international standards.

The Mill Development Plan currently being implemented is focussed on adopting ECF bleaching technology and enhancing the in-house pulp production with the state-of-art equipments.



Paper Machine I from Beloit Walmsley



Paper Machine II from Voith



# Sustainable development

Sustainable development is defined as “development that meets the needs of the present without compromising the ability of future generations to meet their own needs.”. TNPL has laid emphasis on bagasse as an alternate raw material to wood. Bagasse is a sustainable raw material and has several advantages over wood. Bagasse consumes a very low amount of chemicals and the effluents are less harmful.

TNPL has initiated a collaborative research programme along with Sugarcane Breeding Institute (SBI), Coimbatore to develop alternate fibrous raw material for bagasse and identified a high biomass and fibre yielding clone selection. After pilot scale cultivation and crushing trial, the selected clones were multiplied by plant tissue culture methods and planted in 7 acres of land in the TNPL field station to find out the commercial viability. Encouraged by the positive results, TNPL and SBI have initiated a study to develop a new hybrid, using modern plant breeding and biotechnology tools.

The project is funded by the Govt. of India through cess fund. The study will focus on developing a hybrid, from commercial sugarcane and wild cane, having high and good quality fibre for better end-product quality and also explore the possibilities of using by-products, such as juice and trash as source of renewable bio-energy to reduce the fossil fuel use and green house emission.



Wild cane

# Farm Forestry

TNPL has started the plantation programme during the year under two categories, namely, farm forestry and captive plantation.

Under the Farm Forestry Scheme, plantations were raised in 1890 acres of dry farm lands involving 480 farmers in six districts of Tamil Nadu. Under this scheme, 15.51 lakhs Eucalyptus hybrid and Casuarina seedlings were supplied to the farmers at subsidised cost. 33,000 Eucalyptus clonal ramets were also supplied to the farmers under this scheme. Bank loans have been arranged for the farmers for raising pulp wood plantation in their dry lands. Bipartite agreements have been signed with 435 farmers assuring purchase of pulpwood at the market rate prevailing at the time of harvest subject to the minimum price guaranteed in the agreement. TNPL proposes to raise pulpwood plantation in 5000 acres during the year under Farm Forestry scheme.

Under the Captive Plantation programme, TNPL has raised pulpwood plantation in 1185 acres comprising lands leased from the government under the Comprehensive Wasteland Development Programme and other public agencies. TNPL proposes to raise pulp wood plantation in 1000 acres during the current year under Captive Plantation programme.

