



Tamil Nadu Newsprint and Papers Limited

28th Annual Report  
2007-2008

Report  Junction.com

Imprint of success

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“Corporate excellence demands not only that every aspect of the business is of the highest quality, but also that every activity is changing and improving faster than the competition. Achieving corporate excellence is a journey, and not a destination.”

- John S. Oakland



## Company Information

### Board of Directors

Thiru M F Farooqui, I.A.S.	Chairman
Thiru Md Nasimuddin, I.A.S.	Managing Director
Thiru A Velliangiri	Deputy Managing Director
Thiru Atulya Misra, I.A.S.	Director
Tmt Anita Praveen, I.A.S.	Director
Thiru V R Mehta	Director
Thiru V Narayanan	Director
Thiru R R Bhandari	Director
Thiru N Kumaravelu	Director
Thiru R L Narasimhan	Director

### Registered Office

67, Mount Road  
Guindy  
Chennai - 600 032

### Factory

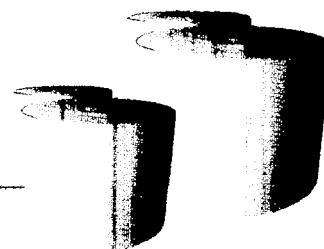
Kagithapuram - 639 136  
Karur District, Tamil Nadu

### Auditors

Maharaj N.R. Suresh & Co.  
Chartered Accountants  
New No.9, Old No.5, II Lane  
II Main Road  
Trustpuram, Kodambakkam  
Chennai - 600 024.

### Bankers

Canara Bank  
HDFC Bank Ltd.  
Indian Bank  
Indian Overseas Bank  
Oriental Bank of Commerce  
State Bank of India  
State Bank of Patiala  
State Bank of Travancore  
Syndicate Bank  
The Karur Vysya Bank Ltd.  
UCO Bank





Mr. Md. Nasimuddin IAS, Managing Director, TNPL, receives the TERI Corporate Environmental Award from Shri Kamal Nath, Hon'ble Minister for Commerce and Industry, Government of India, on 31.5.2008

## Highlights of 2007-08

- Achieved highest production of 2,45,471 MT of Printing & Writing Paper. The capacity utilization was 106.76. %
- Earned highest PBIDT Rs. 263 crore, PBT Rs.163.06 crore, PAT Rs.112.83 crore
- Achieved "Zero Stock" of finished goods (NP & PWP) at the end of the financial year for the 17th time
- Copier production peaked at 50,133 MT registering a growth of 12.9% over the previous year
- Exported 42,492 MT of wood-free uncoated paper to 31 countries
- Received Special Export Award from CAPEXIL in recognition of outstanding export performance for the 9th time in a row
- Raised pulpwood plantation in 10,616 acres of land under Farm Forestry and Captive Plantation schemes involving 2,152 farmers in 15 districts
- Achieved highest hardwood pulp production of 42,357 MT
- Produced 543.19 lakh units of wind power from wind farm and exported the entire green power to the State grid
- Received the 'Best Energy Conservation Award' for the year 2007 from the Government of Tamil Nadu
- Received TERI Corporate Environmental Award 2008 for the efforts towards environmental management and innovative initiatives among corporates with a turnover of over Rs. 500 crore.

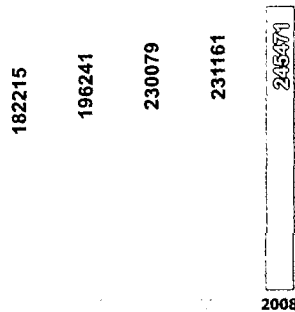
# Financial Highlights - 10 years at a glance

	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
<b>REVENUE</b> (Rs. in Lakh)										
Sales & Other Income	47645	50925	58179	55906	52885	58290	66823	80141	88040	96965
PBIDT	11968	11623	17027	15349	14919	14829	11727	18933	21455	26300
Interest	5784	5050	3886	3224	2863	1625	1622	2029	2052	2425
Profit Before Tax	1586	1841	8355	7026	6657	6858	3917	10147	12503	16306
Tax	179	216	712	3495	1453	1578	122	2092	3897	5023
Profit Ater Tax	1407	1625	7643	3531	5204	5280	3795	8055	8606	11283
<b>BALANCE SHEET</b> (Rs. in Lakh)										
Net Fixed Asset	70658	69345	68963	68644	78875	76034	72836	81726	117782	128351
Investments	114	114	114	114	114	815	114	114	114	1715
Net Current Asset	19825	17920	13302	17383	10624	11021	15385	16662	10959	8003
Total Capital Employed	90597	87379	82379	86141	89613	87870	88335	98502	128855	138069
Share Holders Fund	42412	43068	48829	38040	41138	44868	46474	52212	57631	63990
Borrowings	48185	44311	33550	32511	31925	25399	25004	30814	55940	55244
Deferred Tax Liability	-	-	-	15590	16550	17603	16857	15476	15284	18835
TOTAL	90597	87379	82379	86141	89613	87870	88335	98502	128855	138069
Return on Net Worth (%)	3.32	3.77	15.65	9.28	12.66	11.77	8.17	15.43	14.93	17.60
Book Value Per Share (Rs.)	60.9	61.85	70.12	54.63	59.07	64.43	66.74	75.44	83.27	92.46
EPS (Rs.)	2.05	2.36	11.06	5.15	7.57	7.66	5.47	11.66	12.43	16.30
Dividend(%)	12	12	25	25	27.50	27.50	27.50	30	40	45
Debt to equity	0.96	0.88	0.57	0.69	0.61	0.41	0.32	0.42	0.84	0.62



## Production

Metric Tonnes



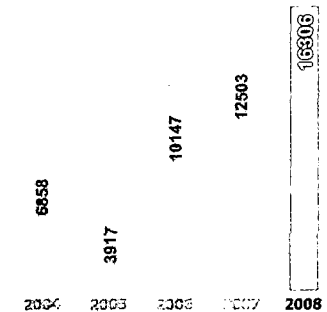
## Sales &amp; Other Income

Rs. in Lakh



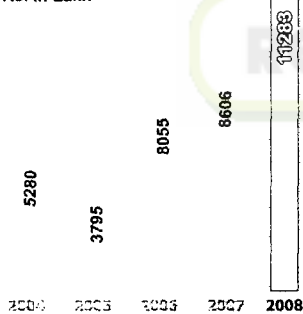
## PBT

Rs. in Lakh



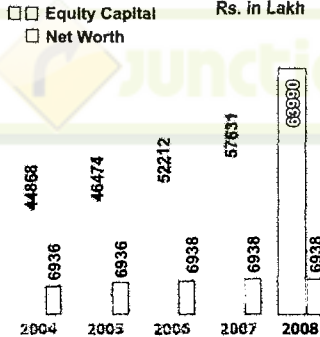
## PAT

Rs. in Lakh



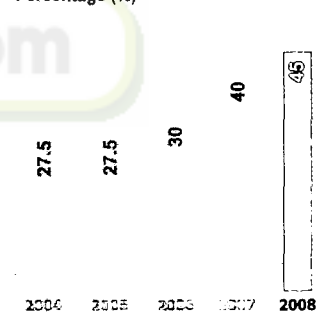
## Equity Capital &amp; Net Worth

Rs. in Lakh

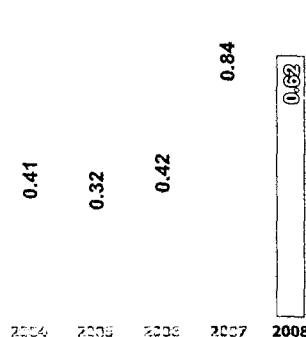


## Dividend

Percentage (%)

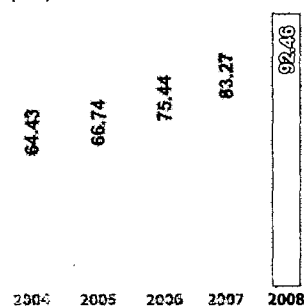


## Debt-Equity Ratio



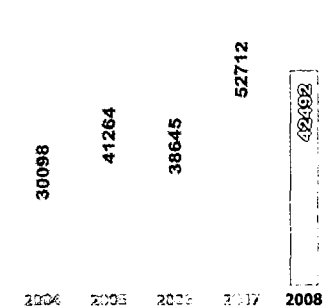
## Book Value per share

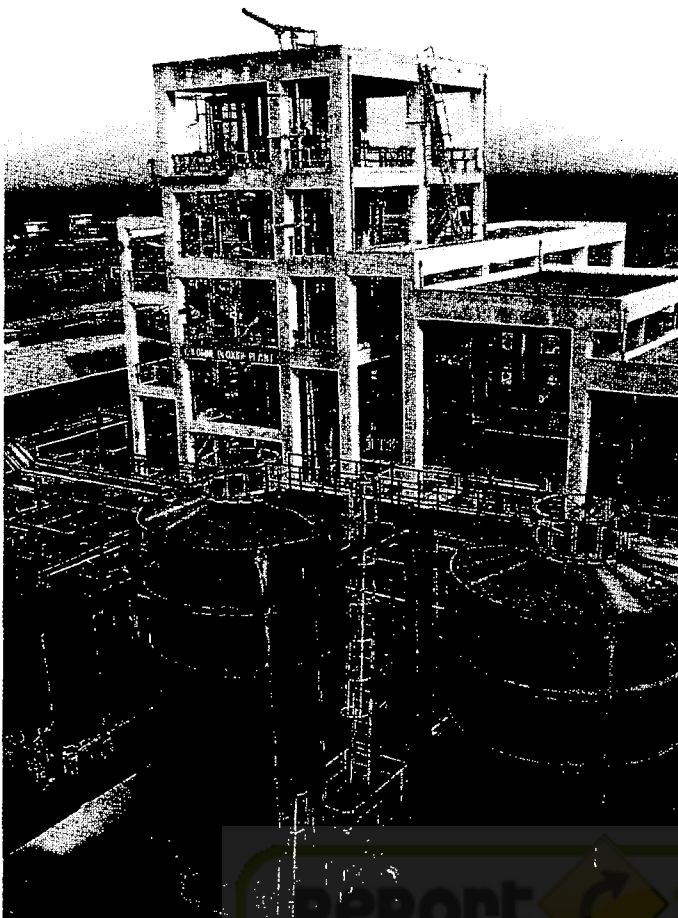
(Rs.)



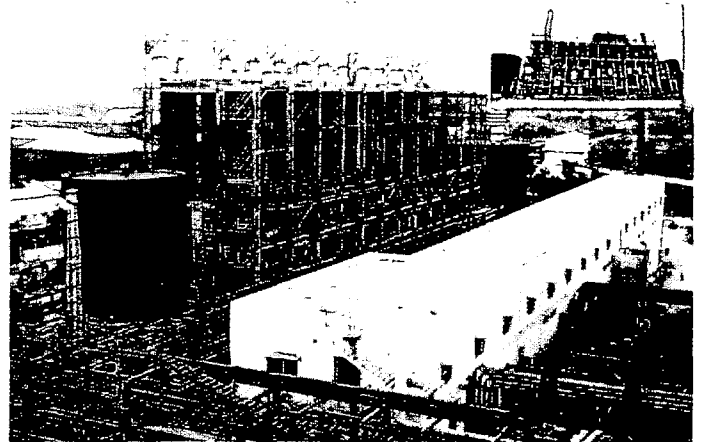
## Exports

Metric Tonnes

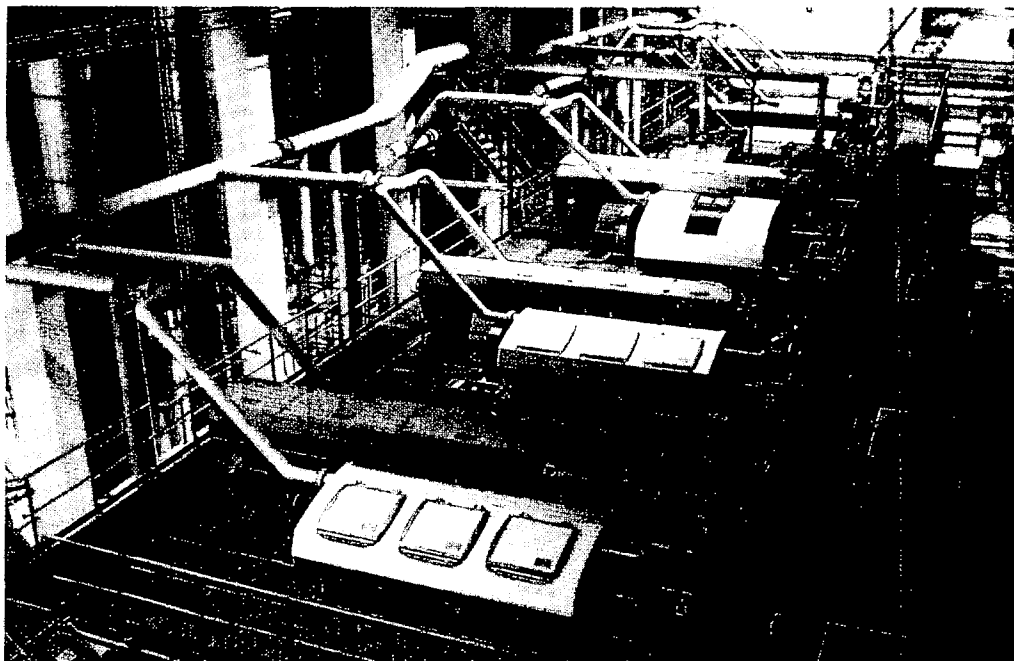




The new 15 tpd Chlorine di-oxide plant



The new Ten body, Seven Effect Free Flow Falling Film Evaporation Plant, the largest black liquor evaporation plant in India



The new hardwood ECF bleach plant



## Tomorrow's Technology Today

TNPL is an acknowledged leader in manufacture of Printing and Writing paper from bagasse. The Company has two high-speed Paper Machines supplied by M/s Beloit Walmsley Ltd, U.K. and M/s VOITH Paper, Germany. The Paper Machines have the unique flexibility of producing both newsprint and printing & writing paper. Together they produce 750 tonnes of paper per day, fully backed by online process and quality control system.

Under the **Mill Development Plan** recently executed, a new 300 tpd state-of-the-art Hardwood Pulp Line with ECF bleaching and a 500 tpd ECF bleach plant for Chemical Bagasse Pulp have been installed with supporting system. The supporting system includes installation of a new Recovery Boiler of 1300 tpd capacity, an Evaporator of 352 tph capacity, a 20 MW Turbo Generator and a fully integrated 15 tpd Chlorine-di-oxide Plant, the largest of its kind in the Paper Industry. With the changeover to ECF bleaching, the Plant will become more *environmentally compliant, operationally more efficient and cost-effective*. Besides, the capacity of paper production has been increased to 245,000 tonnes per annum.

The Company has initiated action for **Mill Expansion Plan** which would augment the paper production capacity from 2,45,000 tonnes per annum to 4,00,000 tonnes per

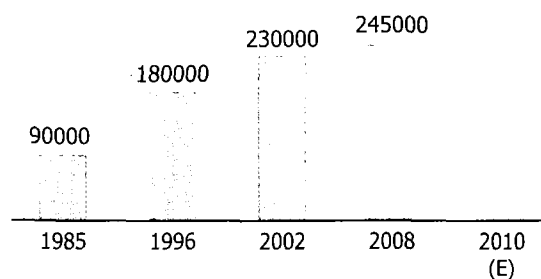
annum utilizing the surplus pulp generated under the Mill Development Plan already implemented. The Mill Expansion Plan envisages installation of a new state-of-the-art Paper Machine of a capacity 1,55,000 tonnes per annum, backward integration of Chemical Bagasse Pulp and installation of a 125 tpd Multi-fuel boiler. The Company has placed the orders for supply of Paper Machine-3 on M/s VOITH Paper GmbH & Co, Germany and for supply of equipment for backward integration of Chemical Bagasse Pulp on M/s Metso Paper Sundsvall AB, Sweden. The Mill Expansion Plan is expected to be completed by June 2010.

Besides the Company is also undertaking the Life cycle Extension programme, under which the Paper Machine 1 installed during 1985 will be upgraded. The existing headbox will be replaced with a new state-of-the-art dilution type headbox. Improvements in Press frames, Size press, Calendar, Pope reel and Winder will also be carried out. The upgrade will be completed during the current financial year.

### Paper Production (tpa)

400000

E - Expected





Tissue cultured 'Mother clones' in Mini Garden



Fully grown Eucalyptus Hybrid trees

### EH Clone Production Process

