



Consistent Growth.
Continued Excellence.

33rd Annual Report 2012-2013

Tamil Nadu Newsprint and Papers Limited



Company Information

BOARD OF DIRECTORS

Thiru N S Palaniappan IAS Chairman & Managing Director

Thiru Vikram Kapur IAS
(Part-time Chairman from 12.10.2012
to 13.12.2012)

Dr.N Sundaradevan IAS
(Part-time Chairman till 30.9.2012)

Thiru Md.Nasimuddin IAS
(Held full additional charge as
Managing Director from 31.5.2012
to 13.12.2012)

Thiru S Krishnan IAS Director
(From 15.9.2011 to 25.7.2013)

Thiru T Udhayachandran IAS Director

Thiru Mahesan Kasirajan IAS Director

Thiru A Velliangiri Deputy Managing Director

Thiru R Mani Director (Operations)

Thiru V Narayanan Director

Thiru N Kumaravelu Director

Thiru M R Kumar Director

Thiru V Nagappan Director

Tmt. Sarada Jagan Director

Registered Office: 67, Mount Road, Guindy,
Chennai – 600 032.

Factory: Kagithapuram – 639 136,
Karur District, Tamil Nadu.

AUDITORS:

P.B.Vijayaraghavan & Co.,
Chartered Accountants,
No.14 (Old No. 27),
Cathedral Garden Road,
Nungambakkam,
Chennai 600 034.

BANKERS:

Canara Bank
DBS Bank Ltd.
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 Hongkong and Shanghai
Banking Corporation Ltd.
The Karur Vysya Bank Ltd.

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FINANCIAL HIGHLIGHTS - 10 YEARS AT A GLANCE

DESCRIPTION	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
	REVENUE: (Rs. in lakhs)									
Sales & Other Income	58290	66823	80141	88040	96965	110030	107362	122504	153899	188118
PBIDT	14829	11727	18768	21455	26266	30792	31980	36274	43543	42207
Interest	1625	1622	1864	2052	2391	4927	4618	4424	14127	12097
Profit Before Tax	6858	3917	10147	12503	16306	15785	15806	19514	12511	12611
Tax	1578	122	2092	3897	5023	5047	3200	4615	1617	3463
Profit After Tax	5280	3795	8055	8606	11283	10738	12606	14899	10894	9148
	BALANCE SHEET: (Rs. in lakhs)									
Net Fixed Assets	76034	72836	81726	117782	128351	148396	209659	229342	248678	254101
Investments	815	114	114	114	1715	114	1140	114	114	114
Captive Plantation	33	147	198	289	304	504	962	1319	1795	2121
Net other Assets	10988	15238	16464	10670	7699	20048	25993	34575	46836*	26279*
Total Capital Employed	87870	88335	98502	128855	138069	169062	237754	265350	297423	282615
ShareHolders Fund	44868	46474	52212	57631	63990	66432	80450	91579	97068	103547
Borrowings	25399	25004	30814	55940	55244	80645	136291	148810	173379*	150022*
Deferred Tax Liaibility	17603	16857	15476	15284	18835	21985	21013	24961	26976	29046
Total	87870	88335	98502	128855	138069	169062	237754	265350	297423	282615
Book Value Per Share (Rs.)	64.43	66.74	75.44	83.27	92.46	95.99	116.24	132.32	140.25	149.61
EPS (Rs.)	7.66	5.47	11.66	12.43	16.30	15.52	18.21	21.53	15.74	13.22
Dividend (%)	27.50	27.50	30.00	40.00	45.00	45.00	45.00	50.00	50.00	50.00
Debt to equity	0.41	0.32	0.42	0.84	0.62	0.88	1.19	1.17	1.21	0.97

* Regrouped as per pre-revised Schedule VI for the purpose of comparison only.

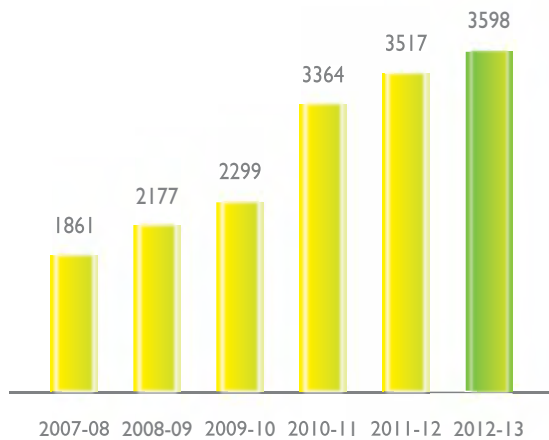
Achievements 2012 -13

- Sales turnover crossed Rs.1800 Crores for the first time.
 - Paper production increased to 371637 MT, 28331 MT higher than the previous year.
 - Hardwood and Chemical Bagasse Pulp production increased to 275226 MT, an increase of 1543 MT over 2011-12.
 - The Wind Farm generated 586.59 lakh units of “Green Power” and earned a profit of Rs.5.82 Crores.
 - The Bio-Methanation plants generated 101.33 lakh Cubic Metres of methane gas, 13.98 lakh Cubic Metres higher than the previous year.
 - The methane gas consumed in lime kiln has saved 5966 KI of furnace oil valuing Rs.23.89 Crores.
 - Pulpwood plantation was raised in 9686 acres during the year. Total pulpwood plantation has been increased to 91711 acres.
 - Received 136,738 Renewable Energy Certificates (RECs) for generating power using exclusively steam produced in the Recovery Boiler.
 - 600 tpd Cement Plant was commissioned on 30.01.2013.
 - Received the first prize of “**Green Award 2012**” from the Department of Environment and Forests, Government of Tamil Nadu.
 - Received the “**Green Energy and Bio-fuel Award 2012**” from Pulp and Paper International (PPI) magazine in competition with many global players.
 - Received “**IPMA Paper Mill of the Year Award**” for the year 2012 from Indian Paper Manufacturers Association (IPMA), New Delhi for the third time.
 - Received the award of “**Excellent Energy Efficient Unit**” for the year 2012 from Confederation of Indian Industry (CII)
-

Consistent Growth

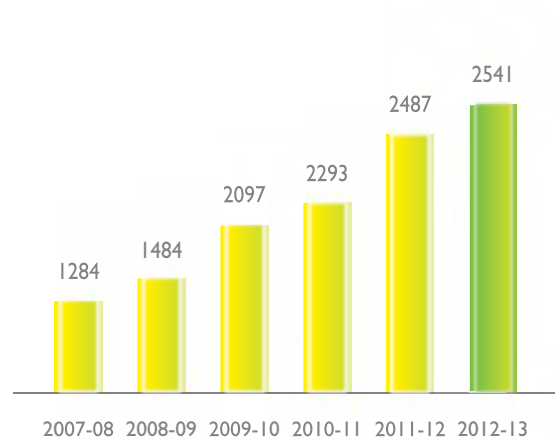
Gross Fixed Assets

Rs. In Crore



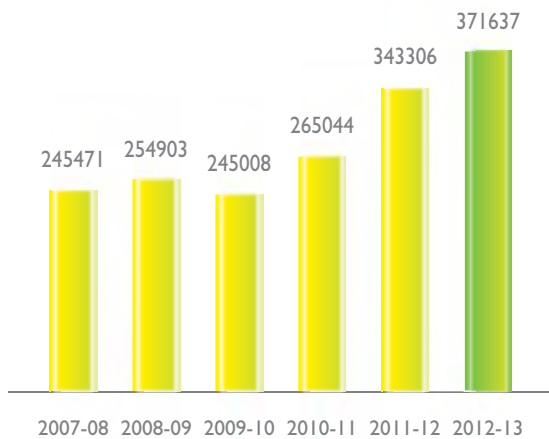
Net Fixed Assets

Rs. In Crore



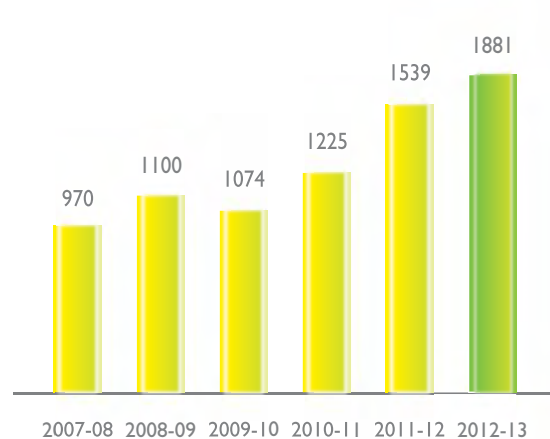
Production

Metric Tonnes



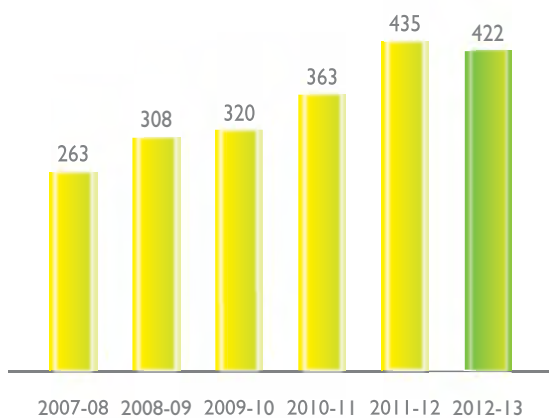
Sales and Other Income

Rs. In Crore



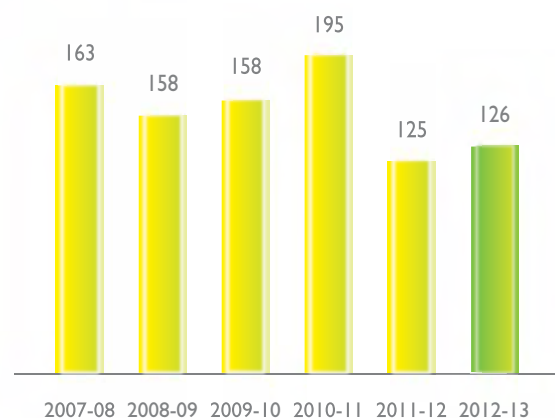
PBIDT

Rs. In Crore



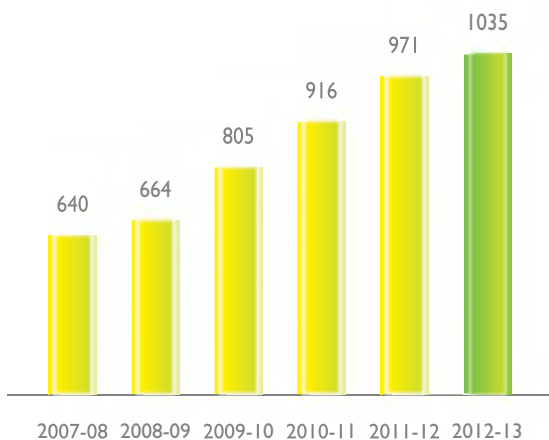
PBT (Profit Before Tax)

Rs. In Crore

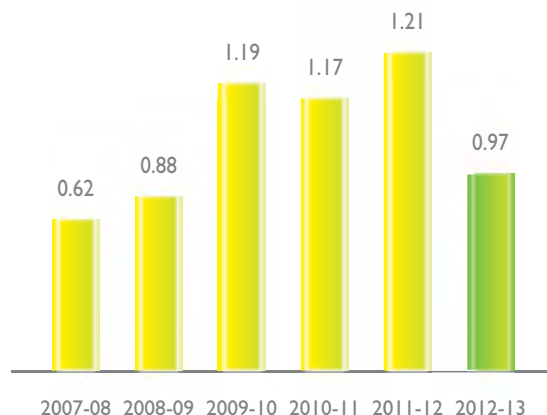


Net Worth

Rs. In Crore



Debt Equity Ratio



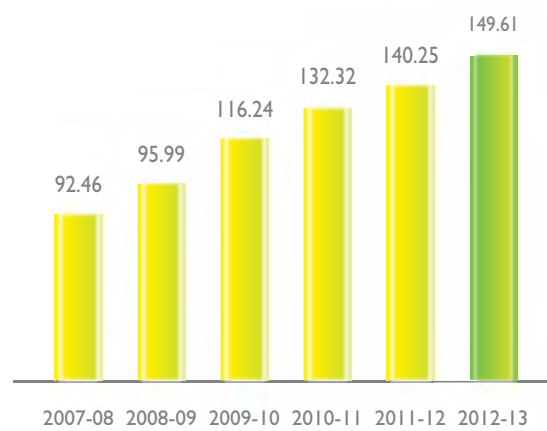
Dividend

Percentage (%)



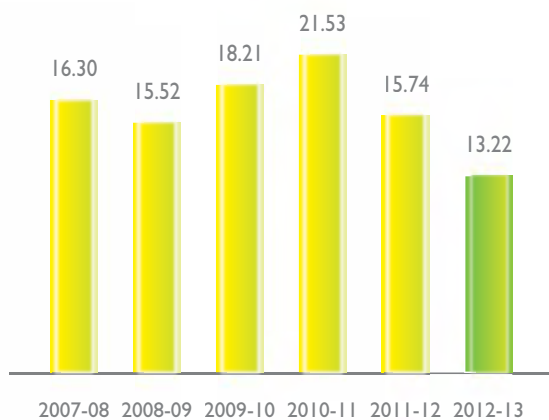
Book Value per Share

(Rs.)



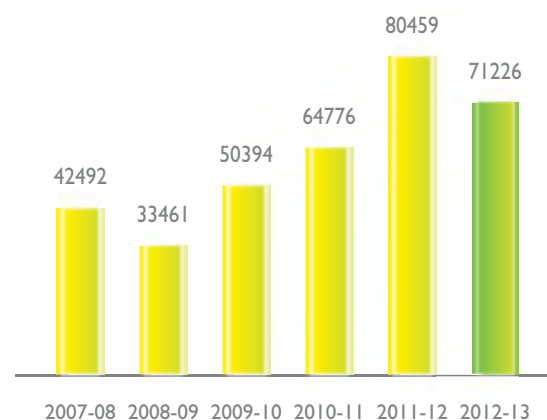
Earning Per Share (EPS)

(Rs.)



Exports

Metric Tonnes



Continued Excellence in Technology

TNPL is built on the understanding that the environment must be protected for the benefit of succeeding generations. At a time when wood pulp was considered as the most acceptable raw material for manufacture of paper, TNPL introduced usage of bagasse, a sugarcane residue, as primary raw material for manufacture of newsprint, printing & writing paper and now has emerged as the largest bagasse based Paper Mill in the world consuming about one million tonnes of depithed bagasse per annum.

TNPL commenced its first production in 1984 with a capacity of 90000 tonnes per annum. The forward thinking policies have made the company to grow to the present capacity of 400000 tpa. Every phase of growth is ingrained with the latest technology and installation of state-of-the-art machineries. The capacity additions were meticulously planned and efficiently executed. Many of the equipments installed were first-of-its-kind in the Indian Paper Industry. Continuous growth with latest technology has made TNPL a significant player in the Indian Paper Industry with the distinction of being the second largest producer of uncoated wood-free paper in the country.

TNPL has commenced the commercial operations of its 600 tpd mini cement Plant under Lime sludge and Fly Ash Management in Jan 2013. This plant is first-of-its-kind in the Indian Paper Industry. This has enabled TNPL to convert the entire limesludge and fly ash into high grade cement.

TNPL is also revamping the Steam and Power System (RSPS) by installing a new CFBC boiler and a new turbo generator to improve the energy efficiency and augment the in-house power generation from 81.12 MW to 103.62 MW. The project features installation of an Air Cooled condenser for the TG in the place of conventional water cooled

condenser, to conserve water. The RSPS project is scheduled to be commissioned during Sept 2013.

Trial production in the state-of-the-art 3-loop 2-disperser 300 tpd De-inking Plant has been commissioned in July 2013 to augment in-house pulp supply and to avoid the dependency on imported pulp.

TNPL is also in the process of setting up a 200 tpd Precipitated Calcium Carbonate (PCC) Plant and a 120 tpd Wet Ground Calcium Carbonate (WGCC) Plant on Build, Own and Operate (BOO) basis in the LSFM plant premises. These projects have been taken up for implementation in the current year and will be completed by Mar 2014. Installation of these plants will enable the company to procure PCC and WGCC online at a lower cost.

TNPL's operational and financial performance is one of the best in Indian Paper Industry. TNPL's success can be attributed to its clear vision, pro-active policies, constant technological upgrades and continuous growth. TNPL is an organization that has not lost its passion for manufacturing paper and goes re-defining the boundaries of excellence.

TNPL has registered four CDM projects with UNFCCC. The first project titled Methane extraction and Fuel conservation project was registered with UNFCCC during 2006 as the country's first CDM project in the waste management sector. Wind farm phase II & III was registered during May 2011 and Phase IV & V during April 2012. The project on Energy efficiency improvement in Chemical Recovery boiler was registered during May 2011.

TNPL has now embarked upon a new green-field project to install a 200,000 tpa double-coated multilayer paper board machine. The land acquisition is in progress in Trichy district. Environmental Impact Assessment study has been taken up.



Automatic Storage & Retrieval System



1



2



3

(1) Night view of Cement Plant (2) DIP - De-inking line (3) 125 Tonnes per hour Boiler

Continued Excellence in Environment Protection

TNPL makes consistent efforts in minimizing its impact on the environment by adopting best available process technology which is aligned to the environmental policy of the mill.

TNPL is committed to:

- Produce Eco-friendly quality paper adopting environment friendly technologies
- Reduce impact on the environment through sustained R&D efforts and continuous improvement in the processes
- Comply with all relevant environmental legislation and regulations
- Minimise waste and maximize recycling / reuse
- Creating environmental and ecological awareness among our work force

TNPL's enduring commitment to the environment begins with raw material use. The mill is using about one million ton of depithed bagasse per annum as major raw material which avoids deforestation of about 35,000 acres every year.

Eighty five percent of the pulpwood used in the process is certified by Forest Stewardship Council which guarantees that the wood used for the production of paper does not come from illegal source. The pulpwood plantations are managed in a socially and environmentally responsible way.

The Company has switched over from conventional Chlorine bleaching to Elemental-Chlorine-free bleaching. The water consumption has been reduced to 55 kl. per ton of paper during 2012 -2013, which is one of the lowest in the paper industry.

Towards greening the surrounding areas, the company has planted about 60,000 trees in and around the mill.

As part of Lime Sludge and Fly Ash Management, TNPL has installed a 600 tpd integrated cement plant to convert process waste materials (Lime sludge and Fly Ash) into high grade Cement.

United Nations Framework Convention on Climate Change has issued 91945 carbon credits (certified emission reductions) under clean development mechanisms in the year 2012-13 for reducing greenhouse gas emissions through biomethanation process and saving furnace oil

TNPL received the first prize of Green Award 2012 from the Department of Environment and Forests, Government of Tamil Nadu. This award has been bestowed on TNPL in recognition of its various initiatives taken to protect the environment by adopting environment friendly technologies in the process. This award also recognizes TNPL's pro-active role in reducing the use of fossil fuels, increasing the green cover, encouraging non-conventional and energy efficient systems as well as recycling and reuse of solid & liquid wastes in the process.

