



Tamil Nadu Newsprint and Papers Limited



40th Annual Report 2019-2020

Expanding to new boundaries...

Board of Directors



Thiru N Muruganandam, IAS
Chairman



Thiru S Sivashanmugaraja, IAS
Managing Director



Thiru S Krishnan, IAS
Director



Tmt. Reeta Harish Thakkar, IAS
Director



Thiru N Narayanan, IAS (Retd.)
Director



Thiru V Chandrasekaran
Director



Tmt. Soundara Kumar
Director



Thiru P. B. Santhanakrishnan
Director



Dr. M. Arumugam
Director

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COMPANY INFORMATION

BOARD OF DIRECTORS

Thiru N Muruganandam, IAS	Chairman
Thiru S Sivashanmugaraja, IAS	Managing Director
Thiru S Krishnan, IAS (w.e.f 16.07.2019)	Director
Tmt. Reeta Harish Thakkar, IAS	Director
Thiru N Narayanan, IAS (Retd.) (w.e.f 19.09.2019)	Director
Thiru V Chandrasekaran	Director
Tmt. Soundara Kumar	Director
Thiru P. B. Santhanakrishnan (w.e.f 19.09.2019)	Director
Dr. M. Arumugam (w.e.f 19.09.2019)	Director

COMPLIANCE OFFICER

Thiru B Ravishankar (w.e.f 30.06.2020)	Company Secretary
Thiru V Sivakumar (From 29.05.2014 – 30.06.2020)	Company Secretary

REGISTERED OFFICE

67, Mount Road, Guindy,
Chennai - 600 032

CIN

L22121TN1979PLC007799

FACTORY

Unit I	Kagithapuram - 639 136, Karur District, Tamil Nadu.
Unit II	Mondipatti Village - 621 306, Thiruchirapalli District, Tamil Nadu

STATUTORY AUDITORS

M/s Brahmayya & Co.
Chartered Accountants,
48, Masilamani Road, Balaji Nagar,
Royapettah, Chennai - 600 014
Ph No.: 044 - 28131128/ 38 / 48
Fax: 044 - 28131158
Email: mail@brahmayya.com
Web: www.brahmayya.com

COST AUDITORS

M/s Geeyes & Co.,
Cost & Management Accountants,
A-3, III Floor, 56, Seventh Avenue,
Ashok Nagar, Chennai - 600 083
Email: gsco94@gmail.com

SECRETARIAL AUDITORS

M/s R Sridharan & Associates,
Company Secretaries in Practice,
New No.44, Old No.25, Flat No. 3,
Thiruvarangam Apartments,
1st Floor, Unnamalai Ammal Street,
T.Nagar, Chennai - 600 017
Ph No.: 044 - 4216 6988, 4350 2997, 4255 5587
Email: sridharan.r@aryes.in
Web: www.aryes.in

REGISTRAR AND SHARE TRANSFER AGENT

M/s Cameo Corporate Services Ltd.
V Floor, "Subramanian Building"
No. 1, Club House Road,
Chennai - 600 002
Tel. No. 044 28460390, 28460395
Fax No. 044 28460390

BANKERS

State Bank of India
Canara Bank
Indian Bank
Karur Vysya Bank Limited
HDFC Bank Limited
Punjab National Bank
Union Bank of India
MUFG Bank Limited
Export-Import Bank of India
ICICI Bank Limited
Kotak Mahindra Bank Limited
IndusInd Bank Limited
Federal Bank
IDBI Bank Limited
Yes Bank Limited

FINANCIAL HIGHLIGHTS - 10 YEARS AT A GLANCE

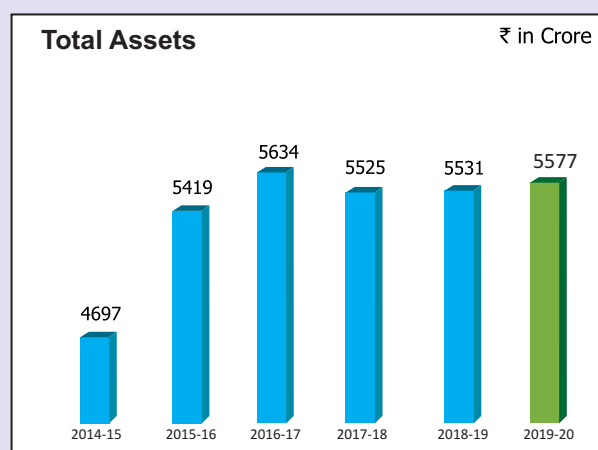
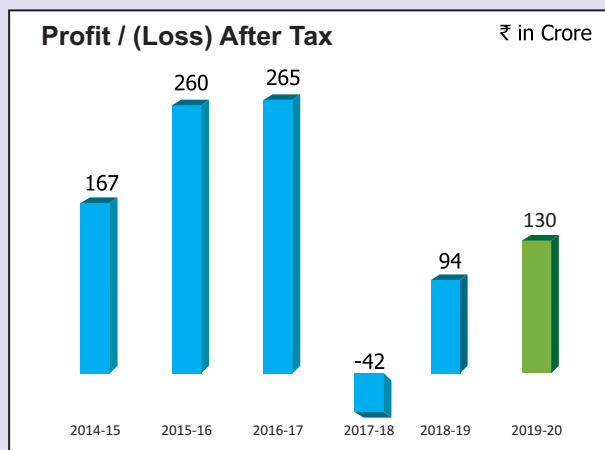
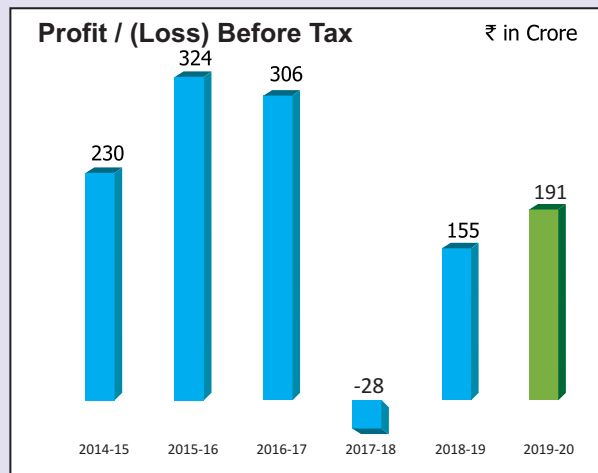
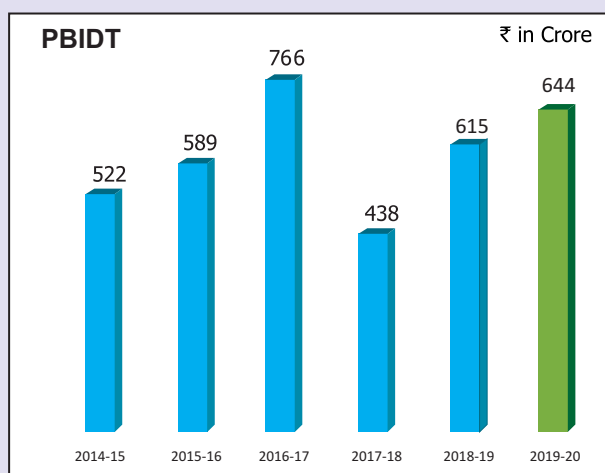
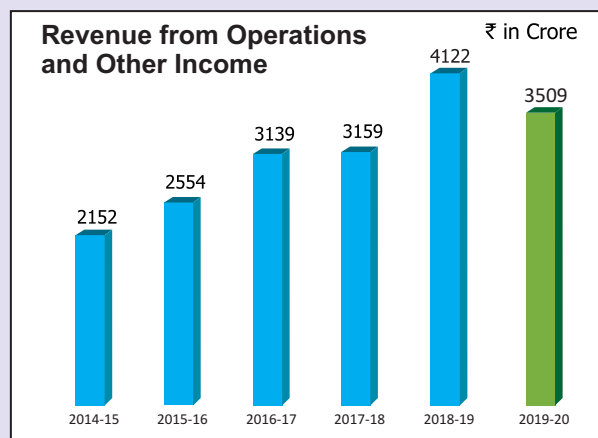
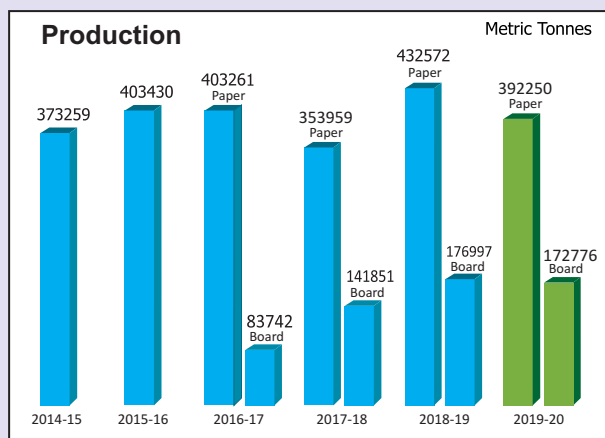
Description	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13	2011-12	2010-11
REVENUE (₹ in Lakhs)										
Revenue from Operations & Other Income	350864	412195	315870	313872	255384	215237	230195	188118	153899	122504
PBITD	64436	61524	43847	76591	58919	52236	52320	42207	43543	36274
Depreciation & Amortisation	23124	22668	22183	20768	14377	13730	19232	17500	16905	12337
Finance Cost	22259	23336	24463	25202	12185	15493	12821	12097	14127	4424
Profit Before Tax (PBT)	19053	15520	(2799)	30621	32358	23013	20268	12611	12511	19514
Income-tax	6050	6081	1417	4164	6377	6340	4150	3463	1617	4615
Profit After Tax (PAT)	13003	9439	(4216)	26457	25981	16673	16118	9148	10894	14899
BALANCE SHEET (₹ in Lakhs)										
Equity										
Share capital	6938	6938	6938	6938	6938	6938	6938	6938	6938	6938
Other Equity	164353	158230	153375	163527	144022	113226	107660	96610	90131	84641
Shareholders Fund (Net worth)	171291	165168	160313	170465	150960	120164	114597	103548	97069	91579
Non-Current Liabilities										
Borrowings	121140	124699	145032	165212	193872	136917	63699	65729	85083	107305
Deferred tax liabilities (Net)	25415	22865	22166	20853	23379	35959	31664	29046	26976	24961
Non-Current Liabilities - Others	14324	10847	11039	10523	10044	10133	9154	8397	7434	7052
Current Liabilities										
Borrowings	56749	28314	50857	74259	59040	47528	45040	49586	58341	41505
Current maturities of Long Term borrowings	39871	42851	46669	42871	15777	22121	38772	34707	29955	
Current Liabilities-Others	128875	158404	116389	79525	88799	96927	68339	57090	50632	35132
Total Equity and Liabilities	557665	553148	552465	563438	541871	469750	371265	348102	355490	307535
Non Current Assets										
Net Assets including CWIP and Intangible Assets	379615	390263	408901	415797	425201	304083	252819	254101	249593	232442
Non-Current investments	28	67	103	107	99	114	114	114	114	114
Non-Current assets others	17371	6494	9839	11502	10025	42119	26931	11146	12810	16455
Current Assets	160651	156324	133622	136032	106545	123433	91400	82741	92973	58524
Total Assets	557665	553148	552465	563438	541871	469750	371265	348102	355490	307535
No of shares	69210600	69210600	69210600	69210600	69210600	69210600	69210600	69210600	69210600	69210600
Book value Per Share ₹	247.49	238.65	231.63	246.3	218.12	173.62	165.58	149.61	140.25	132.32
EPS ₹	18.79	13.64	(6.09)	38.23	37.54	24.09	23.29	13.22	15.74	21.53
Dividend %	60	75	50	75	75	60	60	50	50	50
Debt (LTL) to Equity	0.94	1.01	1.2	1.24	1.39	1.32	0.89	0.97	1.19	1.17

Figures for 2010-11 as per Old Schedule VI, From 2011-12 to 2014-15 as per Revised Schedule VI, From 2015-16 onwards as per Ind AS, Previous year 2018-19 figures have been regrouped to confirm to the current year 2019-20 figures wherever necessary"

HIGHLIGHTS 2019-20

1. The Company's turnover during the year 2019-20 is 3437.60 crore.
2. During the year the Paper production was 392250 MT.
3. Achieved Paper sales of 378022 MT during the FY 2019-20. Domestic sales accounts for 81% and Exports at 19%.
4. The packaging paper board plant production was 172776 MT during the financial year 2019-20, equivalent to 86% of capacity.
5. The packaging paper board sales during the year 2019-20 was 171785 MT. Domestic Sales account for 97%.
6. Market Capitalization was Rs. 615.63 as on 31.03.2020.
7. 330358 tonnes of Hardwood, Chemical Bagasse Pulp and Deinked Pulp were produced during the year.
8. Generated 5895 lakh units of power, 5959 lakh units were internally consumed and 61 lakh units exported to the state grid (Unit-1). Generated 1358 lakh unit of power, 1255 lakh units were internally consumed and 123 lakh units exported to the state grid (Unit 2).
9. The bio-methanation plants have generated methane gas of 62.13 lakh m³ during 2019-20. The methane gas was consumed in lime kiln and power boilers in replacement furnace oil 3744 KL.
10. The wind farms with an installed capacity of 35.5 MV capacity have generated 405 lakh Kwh units of 'Green Power' during the year.
11. The Paper & pulp mill have implemented various water conservation projects and reduced the overall consumption of water to 35 KL/per ton of paper which is one of the lowest in paper industry.
12. TNPL is the first and only company in the Indian Paper Industry to have established a cement manufacturing factory to convert the mill wastes lime sludge and flyash into high grade cement as part of its solid waste management system. During the year, the Company has manufactured 252303 MT of cement.
13. During the year 2019-20, the overall borrowing increased by Rs. 218 Crores.
14. TNPL is one among the 27 of the world's most important pulp and paper manufacturers participated in WWF Environmental Paper Company Index (EPCI) 2019. The EPCI is a tool for companies who are striving for continual improvement in the environmental performance of pulp and paper production and want to be recognized publicly for their leadership in transparency. TNPL improved its overall performance in 2019 (73.5%) when compared to 2017 (68.6%), 2015 (66.1%) and 2013 (57.6%). In Graphic Paper category, TNPL received highest score in Asia. Globally, among the thirteen participating companies under Graphic Paper category, TNPL stands at sixth position.
15. TNPL has been awarded the "Water Stewardship Award" during India Corporate Governance and Sustainability Vision Summit 2020 on 18th February, 2020 at New Delhi conducted by Indian Chamber of Commerce, Kolkatta. TNPL received this award three times consequently during Corporate Governance & Sustainability Vision Award-2018, 2019 and 2020 in the category of "Water Stewardship Award" conducted by Indian Chamber of Commerce, Kolkata. This award sets out to recognize a Company's effective management and mitigation of water related impacts for adapting for water positive tomorrow.
16. TNPL is one among the 11 companies awarded with both shield and certificate for "Industry Excellence Award" during IEI Centenary Industry Excellence Award ceremony, New Delhi, in the month of November 2019. The award is aimed at setting bench-marks for emerging industries with regard to quality, productivity, innovation and Corporate Social Responsibility.
17. TNPL has been awarded as Winner for "Golden Peacock Award for Energy Efficiency" for the year 2019 by Institute Of Directors (IOD), India's during 21st World Congress on Environment Management and Climate Change and Golden Peacock Awards Presentation Ceremony at JW Marriott Hotel, Bengaluru in the month of July'2019.
18. Recertification audit was completed by Feb 2020 and the audit team had recommended to renew the ISO 9001 certificate and issue a new certificate.
19. Recertification audit was completed by Feb 2020 and the audit team had recommended to renew the ISO 14001 certificate and issue a new certificate.
20. TNPL unit 1 has met the requirements in accordance with the GreenCo Rating System and is being re-rated "GreenCo Gold" under Version 3 of the GreenCo guidelines.

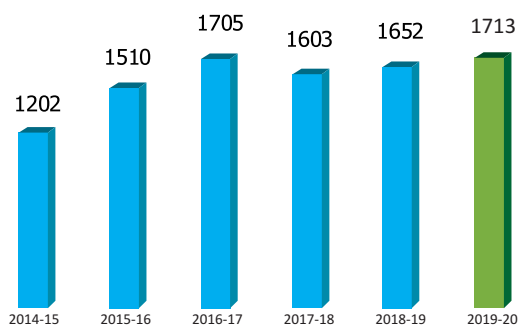
FIGURES AT A GLANCE



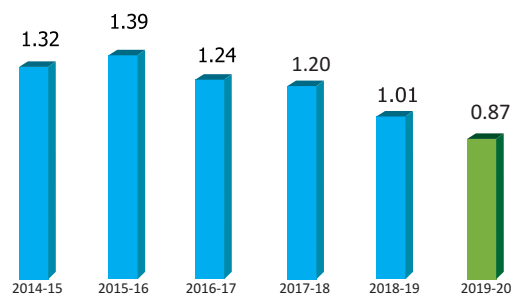
FIGURES AT A GLANCE

Network

₹ in Crore

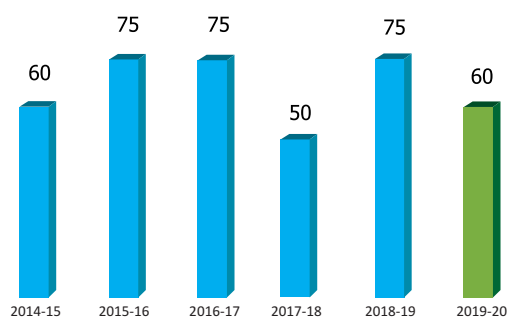


Long Term Debt Equity Ratio



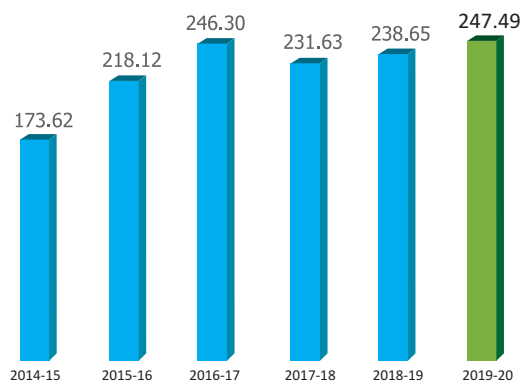
Dividend

Percentage (%)



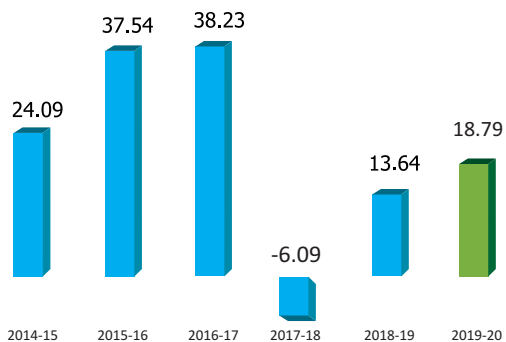
Book Value per Share

(₹)



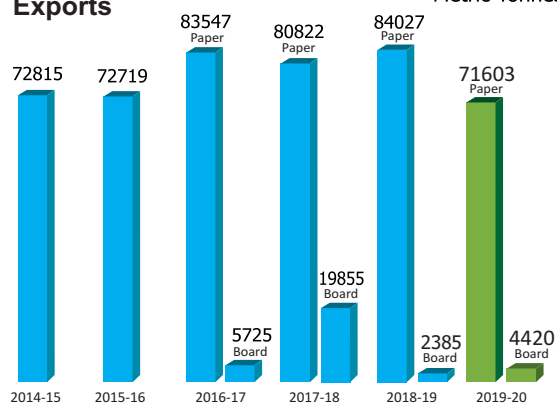
Earning Per Share (EPS)

(₹)



Exports

Metric Tonnes



TECHNOLOGY

TNPL was established in early 80s with an objective of utilizing bagasse – the sugar cane residue – as predominant raw material, which will in turn, conserve the scarce forest resources of the country. Over the years, TNPL has perfected the Bagasse pulping technology, right from the storage, preservation of quality and bleaching. Today, TNPL is an acknowledged leader in the technology of manufacture of paper from bagasse. Started with an initial capacity of 90,000 tonnes per annum (tpa) on a single Paper Machine during 1984, the capacity of TNPL's Unit I in Kagithapuram has been enhanced to 400,000 tpa in 2011, by implementing three major brown field expansions. During its mill operation for over three decades, TNPL brought several new technologies in the company's fold like ECF bleaching of both Hardwood and Bagasse pulp, Oxygen delignification, Integrated Chlorine dioxide technology, Wash presses, Odour free recovery boiler, Collection and Incineration of NCG (Non-Condensable Gases), production of bio-gas from bagasse wash effluent. The Deinked pulp line with three loop, two disperser system followed by Oxidative and Reductive bleaching is first of its kind in India. With this modern Deinked pulp line, the mill is producing printing and writing grade pulp of high brightness.

Today, by way of implementing the state-of-the-art technologies, TNPL enjoys the status of the most environmentally benign mill in the country with least water consumption. To further better the operation, the company is examining the ways and means to reduce dependency on the fresh water intake. The mill is also examining the possibilities of moving towards Zero Liquid Discharge, by adopting modern technologies.

In order to address the solid waste disposal related to the Lime Sludge and Fly ash, TNPL came out with a novel idea to set up a Mini Cement Plant to convert these waste materials into high grade cement. TNPL is manufacturing about 900 tpd of high grade cement which is well received in the market. This is the first of its kind in Indian Paper Industry.

Considering the business opportunity in an allied segment, TNPL made a foray into the Paper Board segment and established a project for manufacture of Paper Board. TNPL's Unit II is about 90 KM away from Unit I, and established for manufacturing 200,000 MT per annum of Multilayer Coated Paper Board, along with a 30 MW captive co-generation power plant.



Mill Expansion Plan of Unit II - Erection of Chemical Recovery Boiler in progress

The Unit was commissioned in January 2016 with a record time of 22 months from the date of commencement of civil works. Like in Unit I, the Unit II also has several latest technologies incorporated in the mill operations. The Board machine has a four layer forming section, first of its kind in the country. The Board machine is totally controlled by a state-of-the-art Distributed Control System (DCS) and Quality Control Systems (QCS). The project features a full-fledged Automatic Storage and Retrieval System (ASRS) with a capacity to store 30,000 MT Reels and 6,000 MT Sheets, which is again first of its kind in India. The Power plant of the TNPL Unit II is equipped with a high efficient boiler

operating with AFBC technology. The Turbo Generator is equipped with an Air Cooled Condenser (ACC) to conserve water. The Board machine also has facility to recover the white water and reuse to the extent possible. For optimizing the consumption, variable frequency drives have been introduced in various sections of the Board machine and power plant.

The modern waste water treatment plant in TNPL Unit II enables utilization of the entire waste water generated from the mill to be used for irrigation in TNPL's own lands to an extent of 575 acres. In the plantation area, drip irrigation method is deployed,



Project Site - Mill Expansion Plan in Unit II under implementation



Bird's eye view of TNPL Unit I facility

to raise more than 6 lakh trees, with various varieties of fruit bearing, flowering, avenue trees including some pulpwood species.

As part of its growth plan, TNPL is implementing a Mill Expansion Plan (MEP) in the Unit II to take the mill capacity from 2,00,000 to 3,65,000 tpa. As part of the MEP, TNPL will be installing a modern Hardwood ECF pulp mill and a Paper Machine.

Implementation of Phase 1 of the project comprising Pulp Mill and associated Recovery island, is in progress and is targeted for commissioning by May 2021. The systems being installed in this project will embrace latest technology with least environmental impact. Towards this, the Mill will be installing a latest generation continuous cooking system, employing total collection and incineration of Non-condensable gases to make the mill odour free, reduce and recycle water to the maximum extent and energy efficient Chemical



TNPL's Mini Cement Plant

Recovery Boiler and black liquor evaporators. These new technologies will further strengthen the company's ambition to maintain the leading position with thrust on water conservation and Environment protection.