



Tamil Nadu Newsprint and Papers Limited



43rd

Annual Report 2022-2023

Where Technology goes hand-in-hand with Nature

Board of Directors



Dr. M. Sai Kumar, I.A.S
Chairman & Managing Director



Thiru S Krishnan, I.A.S
Director



Thiru T Udhayachandran, I.A.S
Director



Thiru C Vijayaraj Kumar, I.A.S
Director



Dr. N. Sundaradevan, I.A.S (Retd.)
Director



Thiru V Chandrasekaran
Director



Thiru P. B. Santhanakrishnan
Director



Dr. M. Arumugam
Director

Contents

Notice	33	Business Responsibility and Sustainability Report	149
Board's Report	49	Independent Auditor's Report	179
Annual Report on CSR Activities	61	Comments of the Comptroller and Auditor General of India	194
Secretarial Audit Report	65	Balance Sheet	195
Report on Energy Conservation	69	Statement of Profit and Loss	196
Disclosure on Remuneration	73	Cash Flow Statement	197
Extract of Annual Return	75	Notes to the Financial Statements	200
Management Discussion And Analysis	90		
Report on Corporate Governance	97		

Company Information

Board of Directors

Dr M Sai Kumar, IAS
(w.e.f 12.06.2022) Chairman &
Managing Director

Thiru S Krishnan, IAS
(Chairman and Managing Director
w.e.f 10.11.2021 to 12.06.2022
Director w.e.f 12.06.2022) Director

Thiru N Muruganandam, IAS
(Ceased on 24.05.2023) Director

Thiru T Udhayachandran, IAS
(w.e.f 24.05.2023) Director

Thiru Harmander Singh, IAS
(Retired on 31.10.2022) Director

Thiru C Vijayaraj Kumar, IAS
(w.e.f. 13.02.2023) Director

Thiru N Narayanan, IAS (Retd.)
(Retired on 18.09.2022) Director

Dr N Sundaradevan, IAS
(w.e.f. 12.09.2022) Director

Thiru V Chandrasekaran Director

Tmt Soundara Kumar
(Ceased on 30.06.2023) Director

Thiru P B Santhanakrishnan Director

Dr M Arumugam Director

Thiru R Anand
(w.e.f 12.09.2022 to 20.09.2022) Director

Compliance Officer

Tmt Anuradha Ponraj
(w.e.f 01.07.2022) Company Secretary

Thiru B Thamizh Selvan
(w.e.f 01.03.2022 to 30.06.2022) Company Secretary

Registered Office

CIN L22121TN1979PLC007799

FACTORY

Unit I Kagithapuram - 639 136,
Karur District, Tamil Nadu.

Unit II Mondipatti Village - 621 306,
Thiruchirappalli District,
Tamil Nadu.

Statutory Auditors

M/s. Maharaj N R Suresh and Co LLP,
Chartered Accountants,
9, (Old.5), II lane, II Main Road,
Trustpuram, Chennai – 600 024.
Ph No.: 044 – 24801322, 24837583
Email: mnrssuresh56@gmail.com

Cost Auditors

M/s S. Mahadevan and Co
Cost Accountants,
112, 'Sri Abhirami', First Floor,
Dr Radhakrishnan Road,
Tatabad, Coimbatore - 641012
Mobile No.: 9443017874
E Mail: s.mahadevan.co@gmail.com

Secretarial Auditors

M/s M Damodaran & Associates
Company Secretaries in Practice,
New No.6, Old No.12,
Appavoo Gramani, 1st Street,
Mandaveli, Opp. BSNL Office,
Chennai, Tamil Nadu - 600028.
Phone No.: 044-43601111
Email Id: secretarial@mdassociates.co.in /
Web: www.mdassociates.co.in

Registrar and Share Transfer Agent

M/s Cameo Corporate Services Ltd.
V Floor, "Subramanian Building",
No.1 Club House Road,
Chennai-600002
Tel. No. 044 28460390-28460395
Fax No. 044 28460390

Bankers and Financial Institutions

State Bank of India
Canara Bank
Indian Bank
Karur Vysya Bank Limited
Punjab National Bank
Union Bank of India
MUGB Bank Limited
ICICI Bank Limited
Kotak Mahindra Bank Limited
Indus Ind Bank Limited
IDBI Bank Limited
Yes Bank Limited
Indian Overseas Bank
Tamil Nadu Industrial Investment Corporation Limited (TIIC)
Export – Import Bank of India
HDFC Bank Limited

Highlights 2022-23



1 The Revenue from Operations was Rs. 5179.89 crore.

2 The Paper production was 420793 MT, equivalent to 105%.

3 The Packaging Board production was 168035 MT, equivalent to 84% of capacity.

4 Achieved Paper sales of 420793 MT. Domestic Sales accounted for 83% and Exports at 17%.

5 The Packaging Board was 167357 MT. Domestic Sales accounted for 96% and Exports at 4%.

6 Market Capitalization was Rs 1510.87 Crore as on 31st March, 2023.

7 420990 MT of Hardwood Pulp, Chemical Bagasse Pulp and Deinked Pulp were produced during the year at Unit - I and Unit - II.

8 7454.03 lakh units (Unit I : 5250.12 and Unit II : 2203.91) of power was generated out of which 7432.21 (Unit I : 5248.75 and Unit II : 2183.46) lakh units of power was consumed and 21.82 lakh units (Unit I : 1.37 and Unit II : 20.15) exported.

9 The implementation of various water conservation measures resulted in reduced overall consumption of water to 30 KL/per ton of paper which is one of the lowest in the paper industry.

10 The Bio-methanation plants have generated methane gas of 89.86 lakh m³ during 2022-23. The methane gas usage in lime kiln and power boilers reduced the consumption of 5088.90 KL of furnace oil and 432 MT of imported coal.



11 The Wind Farms with an installed capacity of 35.50 MW have generated 394.51 lakh Kwh Units of 'Green Power' during the year.



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 namely lime sludge and fly ash into high grade cement, as part of its solid waste management system. During the year, the Company has manufactured 214469 MT of cement.



13 During the year 2022-23, overall borrowings decreased by Rs. 361.82 crore.

- 14 The Company received the Greentech International EHS Award 2022 at the 2nd Annual Greentech International EHS Summit 2023 conducted by Greentech Foundation New Delhi in January, 2023.



- 15 The Company was honoured as "WINNER" in the "Water Stewardship Award" category during the India Corporate Governance and Sustainability Vision Summit 2023 conducted by Indian Chamber of Commerce, Kolkatta in February, 2023 at New Delhi.

- 16 The Company was selected and awarded "1st Sustainable Industrial Practice Award" during the 7th FICCI International Sustainable Conclave 2023 conducted by Federation of Indian Chambers of Commerce and Industry in partnership with Deutsche Gesellschaft für Zusammenarbeit (GIZ) GmbH in February, 2023.



- 17 The Company was selected and awarded as "Noteworthy Water Efficient Award - Within the Fence" during 16th CII National Awards for Excellence in Water Management 2022 conducted by Confederation of Indian Industry - Triveni Water Institute, New Delhi in September, 2022.

- 18 The Company's project "Restoration and Conservation of Bio-Diversity and Conservation of High Conservation Value Forest in TNPL Unit II" was selected as the "Most Innovative Environment Project" during CII – Environmental Best Practices Award 2022 in September, 2022.



- 19 TNPL was selected as "WINNER" under Environment Protection Category" at "22nd Annual Greentech Environment Award 2022" in August, 2022 at Guwahati, for adopting "Circular Economy Model".



- 20 TNPL was awarded "Green Champion 2021" based on immense contributions made in creating Biodiversity conservation Zone at Mondipatti village Unit II, resulting in the improvement of microclimate & species diversity including improvement in endangered species population such as Grey Slender Loris, instituted by Tamil Nadu Pollution Control Board, Govt. of Tamil Nadu in June 2022.

- 21 The Company won the First position in the 17th National Award for Excellence in Cost Management 2019 in April, 2022. The Award is given by the "Institute of Cost Accountants of India" (ICWAI) for the best costing practices in the companies.



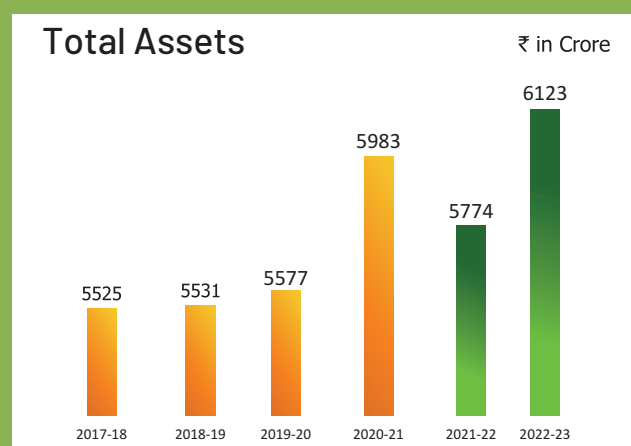
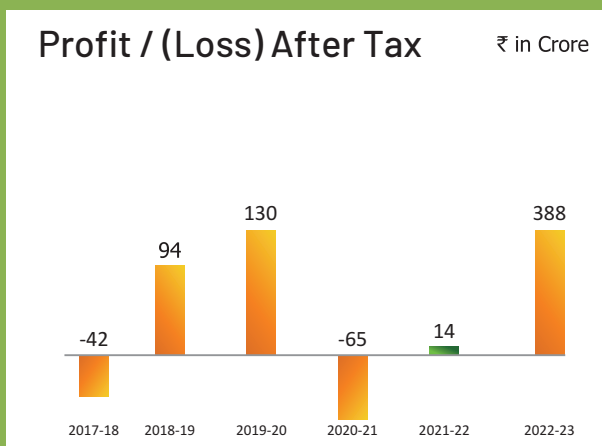
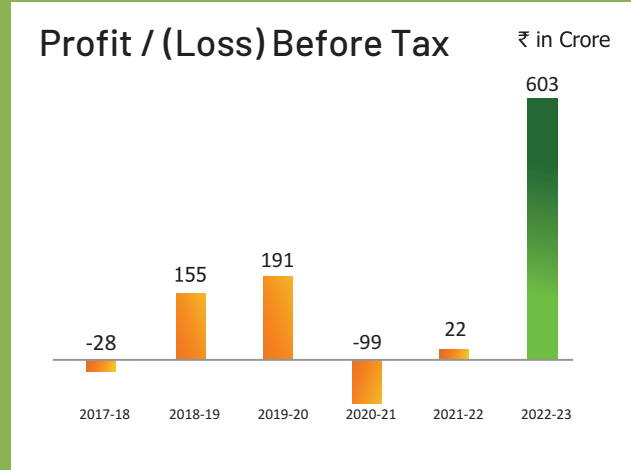
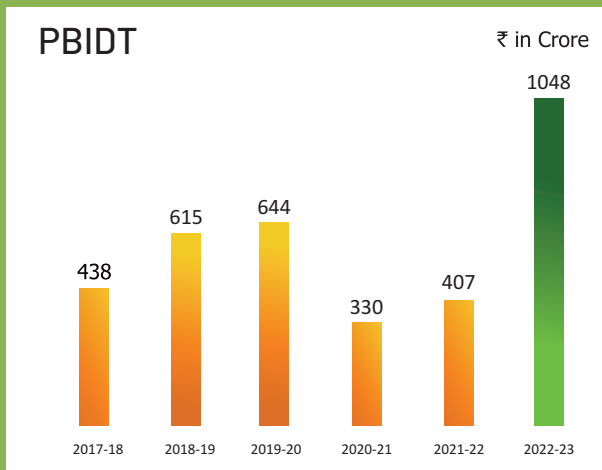
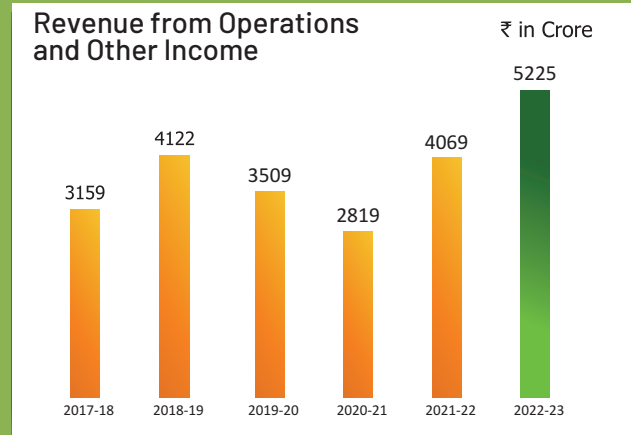
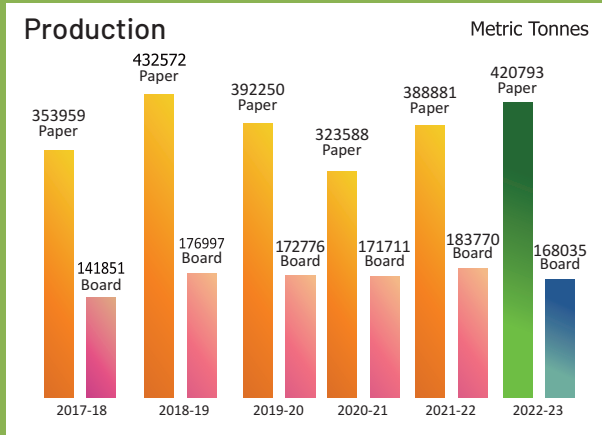
Financial Highlights-

10 Years at a Glance



PARTICULARS	2022-23	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14
Revenue (Rs in Lakhs)										
Revenue from Operations & Other Income	522541	406904	281910	350864	412195	315870	313872	255384	215237	230195
PBIDT	104802	40713	32997	64436	61524	43847	51389	58919	52236	52320
Depreciation & Amortisation	26360	22868	23533	23124	22668	22183	20768	14377	13730	19232
Finance Cost	18166	15642	19333	22259	23336	24463		12185	15493	12821
Profit Before Tax (PBT)	60276	2203	-9869	19053	15520	-2799	30621	32358	23013	20268
Income-tax	21489	770	-3358	6050	6081	1417	4164	6377	6340	4150
Profit After Tax (PAT)	38787	1433	-6511	13003	9439	-4216	26457	25981	16673	16118
Balance Sheet (Rs in Lakhs)										
Equity										
Share capital	6938	6938	6938	6938	6938	6938	6938	6938	6938	6938
Other Equity	187473	151976	152739	164353	158230	153375	163527	144022	113226	107660
Shareholders Fund (Net worth)	194411	158914	159677	171291	165168	160313	170465	150960	120164	114597
Non-Current Liabilities										
Borrowings	106460	160369	194705	121140	124699	145032	165212	193872	136917	63699
Deferred tax liabilities (Net)	33207	21927	21531	25415	22865	22166	20853	23379	35959	31664
Non-Current Liabilities - Others	18029	17172	15902	14324	10847	11039	10523	10044	10133	9154
Current Liabilities										
Borrowings	48739	38215	33635	56749	28314	50857	74259	59040	47528	45040
Current maturities of Long Term borrowings	30883	23679	42823	39871	42851	46669	42871	15777	22121	38772
Current Liabilities-Others	180578	157154	130060	128875	158404	116389	79525	88799	96927	68339
Total Equity and Liabilities	612307	577430	598333	557665	553148	552465	563438	541871	469750	371265
Non Current Assets										
Net Assets including CWIP and Intangible Assets	448127	465477	445437	379615	390263	408901	415797	425201	304083	252819
Non-Current investments	64	61	55	28	67	103	107	99	114	114
Non-Current assets others	7687	8394	14132	17371	6494	9839	11502	10025	42119	26931
Current Assets	156429	103498	138709	160651	156324	133622	136032	106545	123433	91400
Total Assets	612307	577430	598333	557665	553148	552465	563438	541871	469750	371265
No of shares	69210600	69210600	69210600	69210600	69210600	69210600	69210600	69210600	69210600	69210600
Book value Per Share ₹	280.90	229.61	230.71	247.49	238.65	231.63	246.30	218.12	173.62	165.58
EPS ₹	56.04	2.07	-9.41	18.79	13.64	-6.09	38.23	37.54	24.09	23.29
Dividend %	50	40	30	60	75	50	75	75	60	60
Debt (LTL) to Equity	0.71	1.16	1.49	0.94	1.01	1.20	1.22	1.39	1.32	0.89

Figures at a Glance

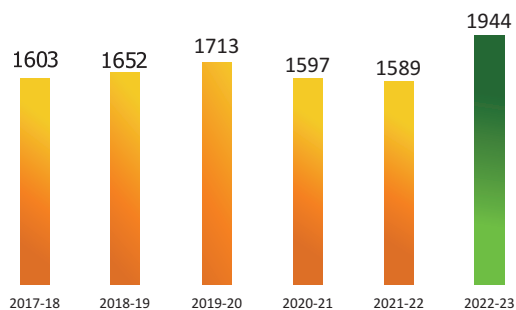


Figures at a Glance

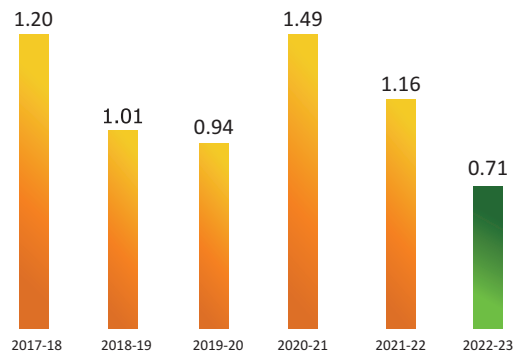


Networth

₹ in Crore

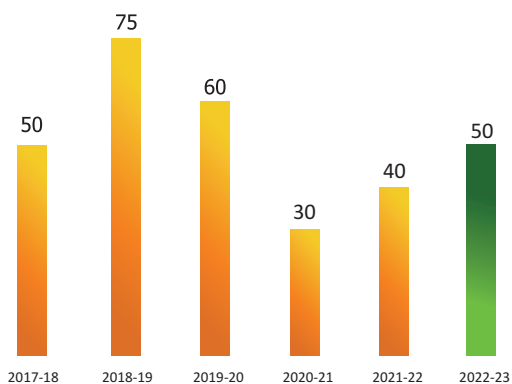


Long Term Debt Equity Ratio



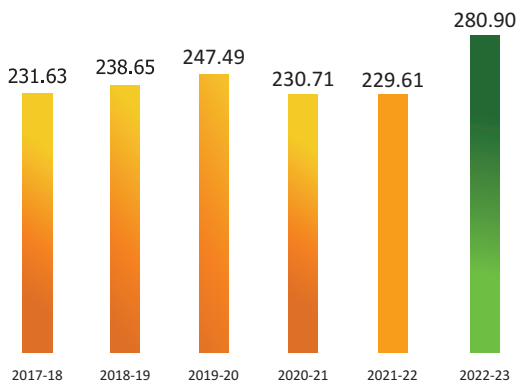
Dividend

Percentage (%)



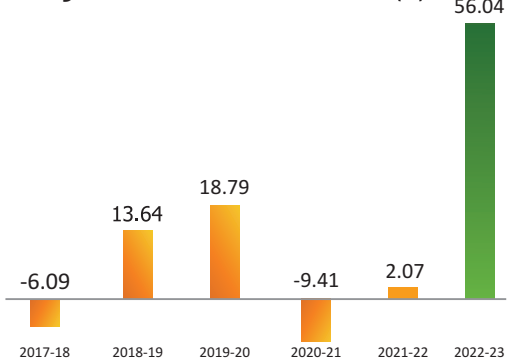
Book Value per Share

(₹)



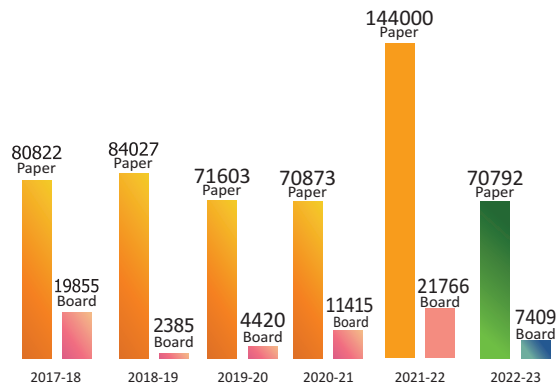
Earning Per Share (EPS)

(₹)



Exports

Metric Tonnes

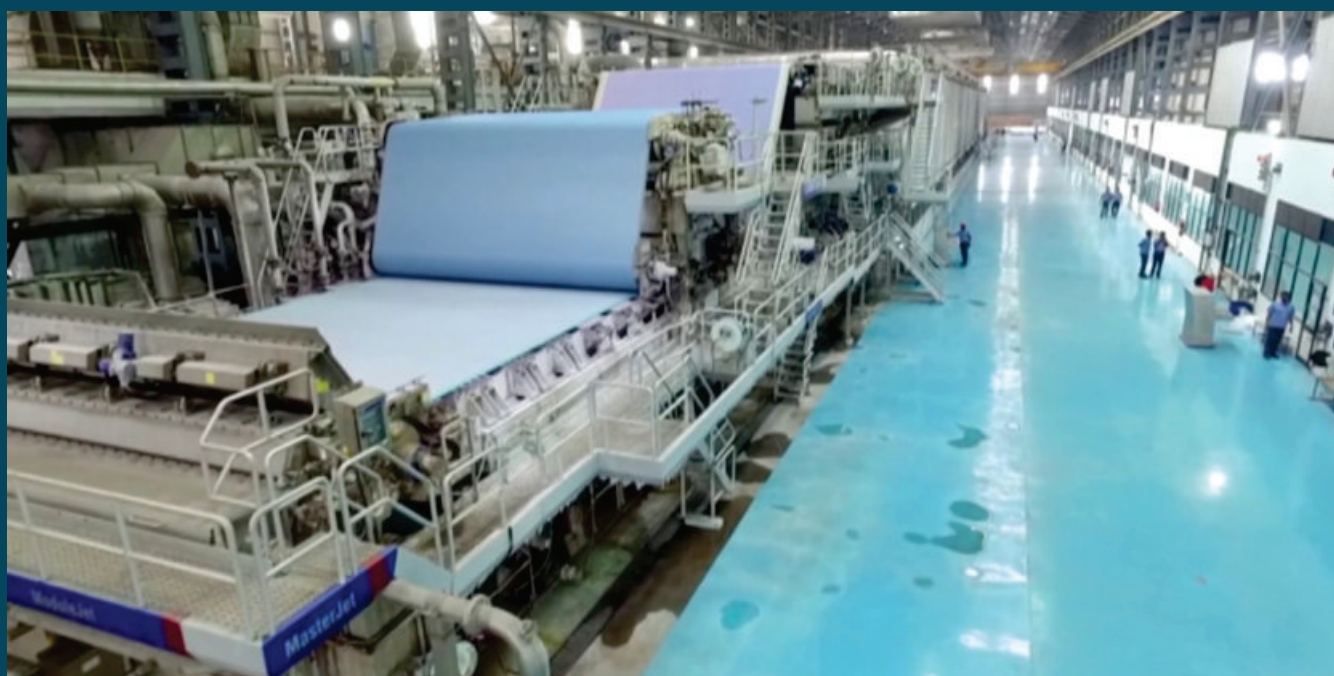


Sustainable Technologies



With usage of Bagasse as a primary raw material, TNPL heralded a new technology in the history of paper making. Though Bagasse (the sugarcane residue), is an alternative raw material for paper making for several years, setting up a Newsprint manufacturing facility using Bagasse was considered a high risk project as the technology was not very successful commercially at that point in time. However, TNPL took up the challenge and commissioned the Bagasse pulping facility during 1985 and demonstrated that quality Newsprint and Fine paper could be made using Bagasse as the primary raw material. Over the years, through extensive in-house R&D, TNPL perfected the Bagasse pulping technology, right from its storage, preservation of quality, pulping, sand cleaning 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 Paper Production at TNPL's Unit I, Kagithapuram has been enhanced to 400,000 tpa in 2011, by implementing three major brownfield expansions. In its nearly four decades of mill operations, TNPL brought in several new technologies into 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 entire bio-gas generated from the bagasse wash water is used in the Lime kiln, replacing Furnace oil.



Paper Machine #3 in TNPL Paper Mill - Unit I

The bio-gas substitutes expensive fossil fuel besides avoiding methane gas emission into the atmosphere. When the capacity expansion of the mill took place, TNPL commissioned a state-of-the-art Deinked pulp line during 2013, with three-loop, two-disperser system followed by Oxidative and Reductive bleaching, to produce high quality deinked pulp, used for manufacturing Printing and Writing Paper. This fine paper grade Deinked pulp plant, is first of its kind in India. Paper Industry involves a water intensive operation. By employing the latest technology in various mill operations and also with maximum recycling, TNPL enjoys the status of the most environmentally benign mill in the country with the lowest specific water consumption. 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 the novel idea of setting up a Cement Plant to convert these waste materials into high

grade cement. TNPL manufactures about 900 tpd of high grade cement which is well received in the market. This is the first of its kind in the Indian Paper Industry. The Cement kiln flue gas is also used as an input for manufacture of Precipitated Calcium Carbonate (PCC) in an on-site plant.



TNPL's mini Cement Plant

TNPL is manufactures about 900 tpd of high grade cement which is well received in the market. This is the first of its kind in the Indian Paper Industry.



State of the art Deinked Pulp line in TNPL Paper Mill - Unit I