

Citizens Charter

Department of Industries

TAMIL NADU NEWSPRINT AND PAPERS LIMITED

CITIZEN'S CHARTER

Updated as on 30.09.2011

OUR COMPANY

- Tamil Nadu Newsprint and Papers Limited (TNPL) was formed by the Government of Tamil Nadu in April 1979 as a Public Limited Company under the provisions of the Companies Act, 1956. The primary objective of the company is to produce newsprint and printing & writing paper using bagasse, a sugarcane residue, as the primary raw material. The Registered Office of the company is situated at 67, Mount Road, Guindy, Chennai – 600 032. and Factory at Kagithapuram, Karur district, Tamil Nadu – 639136.

OUR BUSINESS

- The company is in the business of manufacturing and marketing of Newsprint and Printing & Writing Papers. The products are being marketed throughout the country and also being exported to 20 countries around the world.
- The factory is situated at Kagithapuram in Karur District of Tamil Nadu. The initial capacity of the plant was 90,000 tpa of Newsprint and Printing & Writing paper which commenced production in the year 1984. The capacity was doubled to 1,80,000 tpa in January 1996 after implementation of the first expansion project. The capacity has been further enhanced to 2,30,000 tpa in April 2003 through upgradation of both the paper machines. Thereafter in the year 2005, TNPL initiated action to implement Mill Development Plan (MDP) for improving the environmental standards and to increase in house pulping capacity from 520tpd to 720 tpd. MDP was completed in all respects by May 2008. The Paper production was also increased to 2,45,000 MTA.
- As a next phase of growth, TNPL in the year 2008, initiated action to implement MEP to increase the paper production from 2,45,000 MTA to 4,00,000 MTA by installing Paper machine #3 (PM3) capable of producing pigmented and surface sized varieties and home pulp production capacity from 720 tpd to 880 tpd. The project was completed and PM3 was commissioned in Jan'11.



Some of the key features of the Mill are listed below:

- The largest bagasse based plant in the World and the mill of largest production capacity in India, at a single location, consuming One Million tonnes of bagasse every year.
- The only paper mill in India assisted by the World Bank
- State-of-the-Art paper machines for manufacturing both newsprint and printing & writing papers in the same machine.
- Unique arrangement with the sugarmills for sourcing the raw material, in the form of exchange of steam / fuel for bagasse.
- TNPL ventured into farm forestry and captive plantation schemes for the first time in 2004-05. To avoid deforestation of 40,000 acres of forest land under these schemes, the plantation area covered is 66,599 acres in 2010-11. The plantation planned is 17,500 acres during 2011-12 to reach the target of 1, 00,000 acres by March 2012-13.
- 600MT /day cement plant to process waste materials such as lime sludge and fly ash generated as a residue from the Mill to produce high grade cement likely to be commissioned in Dec 2011.
- 300 tpd Modern De-inking pulp plant to augment In house pulp capacity under implementation likely to be commissioned by March 2012.
- Precipitated Calcium Carbonate (PCC) is used as filler in paper making to improve the quality for high end printing. The plant is likely to be commissioned during in 2011-12.

Paper Machine I



Paper Machine II



Paper Machine III



OUR COMMITMENTS

(A) ON QUALITY:

Quality Policy: "TNPL is committed to manufacture and supply eco-friendly papers to customers' satisfaction with emphasis on continual improvements in its quality management system"

Meeting customer requirement with Eco friendly raw materials (viz. bagasse) for paper making, through continuous process improvements is the aim of TNPL's Quality Policy. Quality standardization without

compromise on environment is being accomplished with online quality control at various stages of production. Despite opening-up of Indian markets for imports, TNPL has been consistently recording increase in exports year by year, which demonstrates the company's commitment to Quality.

Direct interaction with the customer through customer service cell has helped the company in meeting the customer satisfaction with Customer Satisfaction Index (CSI) of 6.7. Customized products are also being manufactured by TNPL to meet the customer delight. TNPL has obtained the ISO 9001 - 2008 certification from TUV NORD CERT GmbH for development, manufacture and supply of Newsprint and Printing & Writing Paper.



The Online Integrated Information System (OIS), a mini ERP package developed by CMC Ltd for TNPL integrates the flow of information from all the sections of the company covering Production, Materials, Finance, Marketing, HR etc. This OIS has greatly improved information transfer and timely decision making for assured product quality. In 2010, TNPL started the process of implementing world renowned Enterprise Resource Planning (ERP) systems (i.e.) Oracle E-Business Suite R12. It covers entire Mill process activities manufacturing Quality, Finance, Marketing, HR etc which will further improve the end product quality cost effectively. The ERP has strategies for Advanced Plan for Production and Forecasting in Marketing.

TNPL's in-house Research and Development facility is recognized by the Department of Scientific and Industrial Research (DSIR) New Delhi. The R&D department has sophisticated state-of-the art instruments and equipments.

(B) ON ENVIRONMENT

ENVIRONMENT POLICY OF TNPL

Tamil Nadu Newsprint and papers Limited, Kagithapuram, Tamil Nadu, India's largest Bagasse based integrated Pulp and Paper Manufacturing mill is committed to

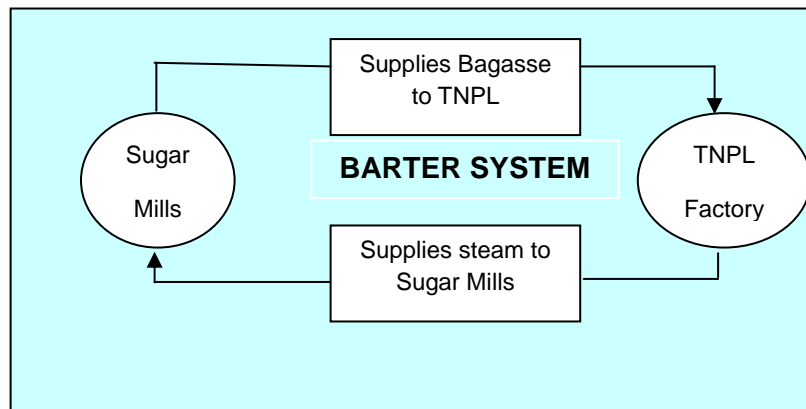
- Produce Eco-friendly quality papers adopting innovative technologies
- Improve environmental performance through sustained R&D efforts and continual improvement in the processes.
- Comply with all relevant environmental legislation and regulation.

- Stimulate rational use of resources through behavioral and technological improvements
- Minimise waste and maximise recycling / reuse
- Creating social and ecological awareness among our work force.

The policy has been approved by Top Management which clearly demonstrates the commitment of the company towards genuine sustainable development and the “minimum impact-best process” philosophy.

ENVIRONMENT PROTECTION

- TNPL is among the most environmentally compliant paper manufacturers in the world. The company makes paper using as little wood as possible to save forest and primarily uses sugarcane waste namely Bagasse, a renewable raw material which consumes less chemical for pulping and bleaching, resulting minimum impact on the environment. TNPL has the distinction of being the largest Bagasse based paper mill in the World.
- TNPL utilises around one million tons of Bagasse per annum which otherwise would have depleted forest resources to an extent of at least 30,000 acres per annum. In this aspect, TNPL stands out as the Most Eco-Friendly Paper Mill in India.
- To source Bagasse uninterruptedly, TNPL developed an innovative unique barter model for getting Bagasse from sugar mills in exchange of steam. This is considered as a best example for inter-industry co-generation and public-private partnership for over 25 years.



- TNPL has a modern effluent treatment plant with Activated sludge process for effective removal of BOD instead of simple aeration system. The total operating cost of treatment of effluent in terms of installed power of 2400 HP and cost of chemicals is around ₹600 Lakhs per annum.
- The quality of the treated effluent conforms to the standards prescribed by Central and State Pollution control bodies. The standard norms prescribed by TNPCB for treated effluent vis-a-vis the results achieved at TNPL are as follows:

Effluent Parameter	Standard	Achieved
	TNPCB	TNPL
BOD5 at 20°C, ppm	30	<10
COD, ppm	250	180-200
Suspended solids, ppm	100	40-45
AOX Kg/Ton Paper	1.0	0.1

- Presently around 1,665 acres of land, once arid is irrigated with the treated effluent water by the society called " TNPL Effluent Water Lift Irrigation Society" (TEWLIS).
- The scheme mooted in 1987 is benefiting about 460 farmers. Under this scheme, the mill's treated effluent is utilised for raising cash crops on land south & East of this mill.
- In addition to the above, about 300 acres of land are irrigated with treated waste water to grow *Eucalyptus* trees, out of which, 165 acres are covered under drip irrigation system.
- TNPL is engaging the services of "Tamil Nadu Agricultural University" for continuous monitoring of lands irrigated with treated waste water.
- The implementation of Mill Development Plan, Mill Expansion Plan and water conservation measures have enabled TNPL to reduce the water consumption from 108 KL/MT of Paper in 2007-08 to about 55 KL/MT as of date. Similarly, the treated waste water discharge has been reduced from 83 KL/MT of Paper in 2007-08 to about 40 KL/MT as of date. Achieving a reduction of 49% in fresh water consumption and reduction of 52% in the treated effluent discharge are quite significant and this has been achieved with huge investment keeping the environment concerns in the forefront.
- To meet the growing needs of pulpwood requirements, TNPL has launched Farm Forestry and Captive plantation schemes during 2004-05. So far, pulp wood has been raised in 59776 acres involving 12012 farmers under Farm Forestry Scheme. This scheme helps the dry land farmers to improve their livelihood. Further, TNPL has raised pulpwood in 6823 acres of land under Captive Plantation Programme.
- TNPL received Forest Stewardship Council (FSC) Chain-of-Custody and controlled wood certificate from M/s Smart Wood Program of Rainforest Alliance, USA for complying with FSC-STD-40-004 and fsc-std-40-005 standards. FSC certification system provides international recognition and trademark assurance to TNPL for its commitment to responsible forest management, conservation and resource utilization.

INNOVATIVE PROJECTS:

- TNPL has successfully commissioned Bio-methanation plant during June '2003 at a cost of ₹440 lakhs for generation of methane gas from bagasse wash water subsequently augmented during Dec '08 at a cost of ₹700 lakhs. The methane gas used in lime kiln in replacement of furnace oil facilitated a saving of ₹4735 lakhs till 31/03/11. This is an innovative project for a Paper industry drawing accolades from various environmental care forums. In addition, this project was the first to be registered from paper industry world

over under the Clean Development Mechanism (CDM) and about 1.62 lakhs certified emission reductions are issued so far and generated additional revenue of ₹10.5 crores.

- Though there is no standard even internationally with regards to colour in the effluent, TNPL's R&D work to control the color from the final treated wastewater has resulted in the introduction of a color removal system based on ozonation process. The system was implemented at a cost of around ₹4 Crore to reduce the color in the treated effluent from 240 Pt-co unit to 180 Pt-co unit.
- The introduction of ozone, as a tertiary treatment for the treatment of final effluent is the "first of its kind" in the Indian Pulp and Paper Industry. Apart from the capital expenditure, the company is spending about ₹20,000 per day for ozonization. Apart from colour reduction, the system also improves the dissolved oxygen in the effluent significantly.
- TNPL is in the process of implementing a 600 tpd Cement plant for converting mill wastes namely lime sludge and fly ash into high grade cement which will enable the company to improve the environment concerns and convert waste into wealth.

CLEAN DEVELOPMENT MECHANISM (CDM) PROJECTS IN TNPL

- **Registered Projects:**
 - ◆ Methane Extraction and fuel conservation Project.
 - ◆ 6.75 MW Small Scale Grid Connected Wind Electricity Generation Project.
 - ◆ "Energy Efficiency Improvement in Chemical Recovery boiler.
- **Projects under Validation:**
 - ◆ 13.75 MW – Grid connected wind electricity generation project at Devarkulam by TNPL.
 - ◆ Methane extraction and utilization as fuel Biogas – II
- **Project under Planning:**
 - ◆ Installation of Energy Efficient Boiler for Higher Steam and Power Generation.

AWARDS AND ACCOLADES ON ENVIRONMENTAL FRONT

- TNPL has been short-listed one among the five organization for the "Environmental Strategy of the Year-Mill Category in the Pulp and Paper International Awards 2011 (PPI AWARDS)". The winner shall be announced at the PPI Awards ceremony at Brussels on 15/11/2011.
- TNPL Secured "MOST INNOVATIVE ENVIRONMENTAL PROJECT" titled "Recovery of caustic after boil out in Paper Machine" for the 'ENVIRONMENTAL BEST PRACTICES AWARD 2011', for the award competition held between 28-29 January, 2011 at CII-Godrej Green Business Centre , Hyderabad.
- TNPL secured three Awards viz., 1) Excellence in Water Efficient Unit 2) Innovative case study decided by panel of judges & 3) Most useful presentation decided by audience and delegates and participants at

7th National award for Excellence in Water Management 2010 in the competition conducted by CII-Godrej Green Business Centre, Hyderabad.

- Received “Green Business Leadership Award” in Pulp and Paper Sector from Hon'ble Union Minister for New and Renewable Energy Dr. Farooq Abdullah on 5th June 2010 at New Delhi. This award competition was conducted by the Financial Express and EVI, Hyderabad.
- Received Controlled Wood (CW) and Chain-Of-Custody (COC) award during July 2010 from Smart wood programme/Rainfall Alliance, USA.
- Received the “TERI” Corporate Environmental Award 2008 for the efforts towards environmental management and innovative initiatives among corporates with a turnover above `500 Crore per annum.
- TNPL has registered the Bio - methanation project with the United Nations Framework Convention Climate Change (UNFCCC) as the country's first CDM project in the waste management sector during 2006.
- BIS has awarded Eco-Mark licence for 75 gsm copier paper during the year 2005-06.
- During 2004, Confederation of Indian Industry has recognized the bio-methanation project implemented by TNPL as an “innovative project”
- During 2004, The Centre for Science and Environment, New Delhi has awarded TNPL with “3 leaf – Green Rating” award in appreciation of its environmental management system.
- Rotary Club of Madras East and Earth Care have bestowed Dr. M.S.Swaminathan Award for Environmental Protection 2002 in the meeting presided by Hon'ble Justice Prabha Sridevan.
- TNPL has been awarded the prestigious “Paper Mill of the Year 2001–2002 and 2007-08 award” by Indian Paper Manufacturers' Association (IPMA) for its overall performance in the year.

(C) ON ENERGY CONSERVATION

ENERGY MANAGEMENT POLICY OF TNPL

- Maximise the usage of eco-friendly agro waste fuels for generation of energy
- Continuous improvements in processes and equipments for efficient generation and usage of energy
- Involvement of all employees for cost reduction in generation of steam and power and efficient utilisation of the same.
- Contributing to the energy needs of the State by exporting the surplus power
- Reducing the Specific Energy Consumption by 2% every year for 5 years through various energy conservation measures.

TNPL is 100% self sufficient in power generation through the 81.12 MW Captive Power Generation Plants (TG Sets) installed at the paper mill site. The above CPP also includes a 20 MW renewable energy power generation capacity by using black liquor dry solids (BLDS) as a fuel in a recovery boiler. BLDS is a waste generated from wood and bagasse and it has been recently recognized as a bio mass fuel by TEDA.

TNPL also generates green power through the 35.5 MW wind farm installed at Devarkulam and Perungudi of Tirunelveli district. The power generated from the 28.5 MW of Wind farm is being exported to the State Grid, the balance being adjusted against the consumption at our Mills Site and at Corporate Office.

TNPL also believes in prudent utilisation of bio fuels. Entire pith generated while depithing the bagasse, is being fired in the boilers as fuel. Besides the company is also using many agro fuels such as coconut shell, rice husk, saw dust, coffee husk etc. The usage of above agro fuels has substantially reduced the consumption of fossil fuel.

Installed a Bio-methanation plant to generate methane gas from the effluent water (bagasse wash water) and use it as fuel as substitute for furnace oil in the lime kiln saving 15 KL of furnace oil every day. During the year 2010-11 TNPL generated ₹59.34 lakh M3 methane gas from its bio-methanation plant and used the same in lime-kiln replacing 3545 KL of furnace oil valuing ₹12.05 Crores. The confederation of Indian Industry has recognised the bio-methanation project implemented by TNPL as an "Innovative Project". This project contributes to sustainable development in terms of generating in-house renewable energy and reducing green house gases.

Energy Conservation measures:

Energy conservation is an ongoing process at TNPL. Some of the measures taken in this regard are given below:

- Installed Variable Frequency Drives where the process requires variation in speed of the drive.
- Installed energy efficient motors and reduced the motor capacity in many areas after continuous review.
- Installed high efficiency pumps in key areas.
- Enhanced the economizers' capacity in power boilers to reduce flue gas temperature and improve the boiler efficiency.

(D) ON HUMAN RESOURCES DEVELOPMENT

TNPL, the only one Company from Tamilnadu, which was selected as one of the top 25 Great Places to work in India in the survey conducted by The Business World, realises that achievement of success and sustained growth of any business organization depends on professional Human Resources Development / Management Policy. TNPL is also concentrating on creating, maintaining and retention of multi skilled and knowledgeable Human Resources for enabling the Company to be competitive in the global economy. In view of the increasing performance targets and enhanced production capacity consequent to commissioning of new plants / machines, to ensure that performance continues to remain good and motivation levels are high, TNPL has been reviewing and designing appropriate HR polices / practices time and again. TNPL's Human Resources policy focuses upon enthusing the human resources to be efficient, effective and innovative to keep ahead of competition. As an enlightened employer the company has always been concentrating on optimizing the labour productivity and continuous efforts have been taken to improve the same. Some of the initiatives by the company in line with the above objectives are given below:

In order to enhance the professional skills of employees and to have an updated knowledge on their relevant area of work, periodical external and internal training programs are organized for employees. Programs on

personality development, Team work, Communication, Inter personal skills, Safety, productivity, Awareness training on Quality & Environment Management and Technical training programmes are conducted as Internal Programs. Besides, employees are also being sponsored for external training programs conducted by reputed Institutes related to their relevant / specialized area of work.

Performance Appraisal plays a significant role as a tool and technique of Management development and growth. TNPL is implementing the Balanced Scorecard which integrates the financial measures and non-financial measures. Key Performance Indicators (KPI) are identified for individuals to achieve the targets fixed in the Department Balanced Scorecard which is arrived at from the Organizational Balanced Scorecard based on the forecast made in the Revenue Budget. The performance of individuals, department and the organization is reviewed periodically and corrective measures initiated appropriately. With a view to improve the system of appraisal, self appraisal form has been implemented.

With a view to ensure transfer of knowledge among employees in various levels in the organization, Knowledge Management Initiatives are implemented to enable knowledge sharing through various communication channels and documentation. Company is nurturing a participative atmosphere of redressing the grievances of the employees for ensuring peaceful working environment.

Amicable Wage settlements are reached with the Trade Unions and harmonious industrial relationship is being maintained. TNPL has been taking all out efforts for maintaining Management-Employee Relationship and has focused on smooth Employee Relationship.

TNPL is providing direct employment for 1972 persons and indirect employment for about 5000 persons. TNPL is conducting employee satisfaction survey periodically to assess the satisfactory level of its employees and take timely corrective action for improvement in the grey areas if any.

(E) ON SOCIAL DEVELOPMENT

TNPL has formulated a new CSR policy guideline to earmark approximately 3% of the Profit After Tax towards CSR budget for every financial year, covering major heads like Education Sector, Health Sector, Infrastructure Sector, Economic Sector, Environment Sector and Culture and Heritage Sector.

TNPL is consistently taking various community welfare initiatives for the benefit of the people living in the neighbouring Panchayats. The needs were categorized under various heads viz., Infrastructure works and basic amenities, Construction of Drainages and Retaining walls, Improvement scheme for providing Drinking water supply, Education, Career Development & Training, Medical Camps & Cattle Care Camps, Sports & Games for rural youth, Agriculture & Environment, Promotion of Tamil Literature, Art & Culture, Assistance for the Differently Abled and Other Community Welfare Activities.

TNPL has earmarked an amount of ₹.3.78 crores (3% of Profit After Tax earned in the financial year 2009-10) for CSR activities for year 2010-11.

In order to develop skilled workforce in technical trades like Fitter, Welder, Instrument Technician etc., in the surrounding areas, TNPL has decided to set up an Industrial Training Centre (ITC) at its premises, as part of

CSR activity. Rs.2.9 crores is allocated for creating infrastructure and other basic amenities for the proposed ITC and every year 76 students will be benefited.

(F) ON SAFETY

TNPL has a clearly defined Safety Policy. The policy specifies in detail the responsibility for implementation of safety measures, prevention of personal injury, accident reporting and statutory reporting system. The Safety committee consists of members from Management and workmen. Periodic committee meetings are conducted and suggestions are implemented. Safety Audit is conducted to ensure the effectiveness of the safety systems in position. Periodical Training Programs are conducted to improve safety awareness among the employees including contract workers. TNPL has maintained an excellent safety record.

(G) ON ACHIEVING EXCELLENCE

- Achieve full capacity utilisation following the latest productivity techniques and developed technologies. Continuous upgrade of the technology.
- Improve the quality of the paper to that of international standards.
- Develop new products with good quality at reasonable prices by adopting innovative and persistent R&D efforts.
- Build brand equity with branded value added products
- Become globally competitive in terms of cost, pricing and quality
- Provide cleaner environment by following the best practices of ISO 14001 Environment Management Systems.

(H) Financial Re - engineering

Swapping the multi-currency world bank loan of USD 45 million into US Dollar denominated FCNR(B) loan and reducing the loan repayment period from 10 years to 5 years resulted in a saving of ₹39.95 crore to the Company. The Company has repaid the world bank loan 5 years ahead of the schedule.

Opting for fixed rate of interest for rupee loan when the interest rates were low and availing FC loan with interest rate linked to LIBOR have enabled the company to keep the interest and financial charges low. As part of Forex Policy, all Foreign Currency loans are hedged for currency risk on the date of availing of loan.

A good mix of foreign currency loan with currency swap and rupee loan has enabled the company to keep the overall interest rate low despite the continuous increase in rupee interest rates in the last one year.

The company is also availing short term loans at highly competitive rates. The average cost of the long term loan availed as on 31.03.2011 works out to 7.98% (31.03.2010 : 7.52%) which is one of the lowest in the industry.

(I) NEW INITIATIVES

- To convert some of the waste materials namely lime sludge and fly ash generated in the process of manufacture of paper into high grade cement, TNPL is setting up a 600 tons per day cement plant at a capital outlay ₹69 crore. The project is scheduled to be completed by December 2011.

- To supplement the in-house pulp production to meet the full requirement, TNPL is installing a 300 tons per day state-of-art De-inking Plant (DIP) at a capital outlay of ₹174 crore. This project is scheduled to be completed by March 2012.
- TNPL is also implementing the scheme of revamping the steam and power generation system at a capital outlay of ₹135 crore. The major equipments required for the scheme has been ordered out and the project is rescheduled to be completed by July 2012 due to delay in supply of the Turbo Generator set.

(J) FUTURE PLANS

1. TISSUE PLANT

TNPL will install a 100 TPD capacity tissue paper manufacturing machine within the existing mill premises at a likely investment of ₹200 crore. The project will provide direct and indirect employment for about 300 employees. The plant will be installed within 2 years. Action taken to appoint engineering Consultants for the project.

2. RECLAMATION OF POLLUTED SOIL IN THE NOYYAL RIVER AYACUT THROUGH FARM FORESTRY

TNPL will take efforts to develop pulpwood plantation in the effluent water affected lands on the Noyyal river banks in Tiruppur, Erode and Karur District. TNPL will select salt tolerant pulpwood species and raise pulpwood plantation on trial basis in 1000 acres of affected lands in this area. Since the plantation will be raised under scientific method, there will be improvement in the soil fertility and thereby barren lands can be converted into cultivable lands in course of time.

TNPL will pay lease rentals of ₹ 4,000/- per acre per year for six years to the farmers participating in the scheme. After six years, the farmers at their option can extend the contract farming with TNPL.

Benefits from the project

Reclamation of soil affected by effluent water.

1. Transforming barren lands into cultivable lands.
2. Sustainable revenue generation from the abandoned lands.
3. Generation of employment in the local area.
4. Social and ecological benefits.

On successful implementation of the scheme in 1000 acres, TNPL will enlarge the scheme from 3000 acres to 5000 acres every year.

(K) PLANTATION

TNPL is one of the largest capacity paper mills in Tamil Nadu, which started its commercial production during 1984 with an initial capacity of 0.09 Million Tonnes per annum. Over the years, the capacity has been escalated and the present capacity is 0.4 Million Tonnes of printing and writing paper per annum. The raw materials used are predominantly bagasse supplemented with 35% of wood resources. The Industry needs annually

around 0.5 Million tonnes of pulpwood to meet the 35% of wood resources. However, the current supply in the state is less than the actual demand and created uncertainties in pulpwood supply chain. The National Forest Policy of 1988 also resolved to phase out the supply of raw material to wood based industries and ultimately to stop the raw material supply totally from the forest. The policy also indicated that wood based industries have to become self reliance in meeting the raw material demand by establishing direct linkages with the farmers by providing lending facilitates and other input needs TNPL is also credited with the unique distinction of recycling waste into wealth by using bagasse as primary raw material. Bagasse is known to be the most eco-friendly renewable resource for papermaking. TNPL uses about 10,00,000 MT of bagasse every year instead of wood and has thus saved the forest cover in about 40,000 acres every year.

TNPL commissioned the first paper machine with a capacity of 90,000 TPA and doubled the capacity in 1996 to 1,80,000 TPA by installing the second paper machine. Thereafter the capacity has been enhanced to 2,30,000 TPA through up gradation of both the Paper Machines during 2002. With the implementation of Mill Development Plan (MDP), the capacity is increased to 2,45,000 TPA in 2007-08. After the Mill Expansion Plan (MEP) the present production capacity is 4,00,000 TPA.

Currently, TNPL is consuming about 5,00,000 MTs of pulpwood per annum. The company had signed a Memorandum of Understanding (MOU) with Tamil Nadu Forest Plantation Corporation Ltd (TAFCON) for assured supply of Eucalyptus wood with the supply of 1.70 lakh MT of pulpwood for the next 15 years beginning from 2005-06. After considering the pulpwood available with TAFCON, the industry is still left with a requirement of around 3.5 lakh MT of pulpwood to be met from other sources. In order to meet the balance shortfall and become self-sustenance in pulpwood raw material availability TNPL started plantation activity in the year 2004 and started getting raw material from plantation areas from 2009 onwards. It is understood that the supply from plantation sources are in the increasing trend due to continuous improvement in planting programme of TNPL.

Considering the pulpwood consumption /requirement, availability from TAFCON and the improvement in TNPL plantation area, the plan for plantation development is proposed to be carried out for next five years is depicted below.

Plan For TNPL Plantations To Be Raised For Next 5 Years

Qty. Required For Sustainable Supply (MT)			Area to be planted (Acre)				
Year	Eucalyptus	Casuarina	Total	Year	Eucalyptus	Casuarina	Total
2015-16	150000	100000	250000	2011-12	6000	4000	10000
2016-17	150000	100000	250000	2012-13	6000	4000	10000
2017-18	150000	100000	250000	2013-14	6000	4000	10000
2018-19	150000	150000	300000	2014-15	6000	5000	11000
2019-20	150000	150000	300000	2015-16	6000	5000	11000

Even though, the requirement of plantation to be raised during 2011-12 & 2012-13 is only 10000 acres per year, the actual planting target is fixed as 17,500 acres per annum for the next 2 years, in order to achieve the TNPL cumulative planting target of one lakh acres by end of 2013.

As per National Forest Policy 1988 guidelines, Tamil Nadu Newsprint and Papers Limited (TNPL), Kagithapuram has introduced two contract farming models during 2004-05 to augment the pulp wood raw material in order to create sustainability and self reliance in meeting the raw material demands through established plantation in non forest area through a people centered participatory approaches which will be economically viable, socially acceptable and environmentally compatible.

TNPL is planning to reach 1 lakh acres of Eucalyptus and Casuarina pulpwood plantations through these two plantation ventures by the end of 2013 which will ultimately increase the total area under plantations in Tamil Nadu.

Under Farm Forestry scheme, TNPL motivates individual farmers and institutions to enter into agreement for cultivation of fast-growing short-rotation pulpwood plantations. TNPL provides high quality clones/seedlings to the farmers at subsidized rates. TNPL undertakes to procure pulpwood at the current guaranteed price or prevailing market price at the time of harvest, whichever is higher.

Under Captive Plantation Scheme, TNPL enters into a MoU with land owners for establishment of plantation in their land either on lease rental or on gross revenue sharing basis. As per the MoU, TNPL make all the expenditures right from land development, planting, maintenance to harvesting. To operate these two schemes all over in Tamil Nadu, TNPL has 12 regions covering 29 Districts of the state of Tamil Nadu and Puducherry (UT), India. Each region has one regional officer who will do extension activities and motivates land owners of large extent of unutilized lands and willing farmers to raise pulpwood plantations under these two schemes.

Productivity of plantation is dependent on the quality planting material, which is supplied to the farmer's field. The seed routed plantation has its inherent disadvantages of low survival and low productivity, where-as the clonal material produced from selected proven superior trees, show uniformity, good pulp yield, high survival & growth rate and higher productivity. The concept of clonal production centre was devised by TNPL to achieve self-sufficiency in planting material and production of quality clonal plants to the tune of 15 million clones per annum with capital investment of Rs.4.0 crore.

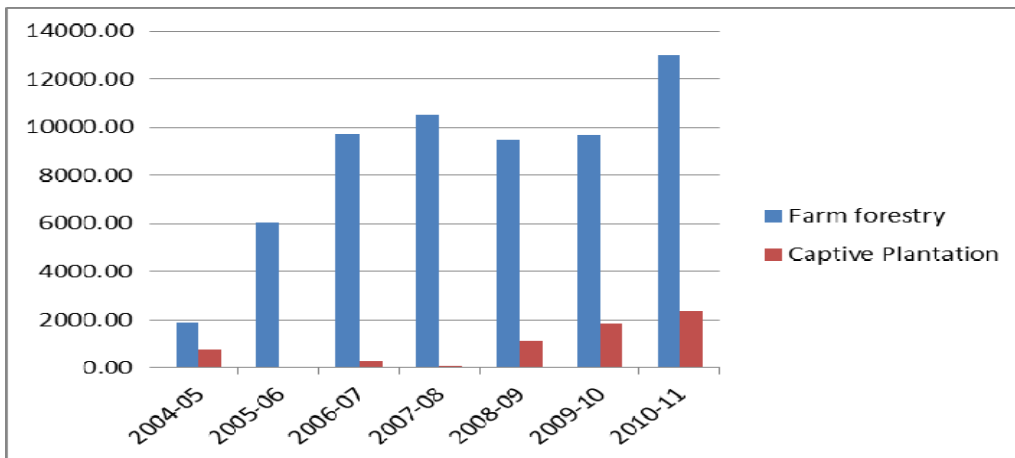
In May 2007 the establishment of Clonal Propagation and Research Centre was started with 8000 sq.m of fogging and misting chambers, 4000Sq.m of hardening chamber and 25000 sq.m open nursery with updated technological innovations equivalent to international standards.

Mini-gardens and breeding mini-orchards also established in CPRC to carryout breeding and tree improvement works. This would facilitate production of preferred, site-specific high yielding clones suited to individual operational areas and reduce the cost of clones to the company at the same time emerge as a profitable enterprise to the farmers.

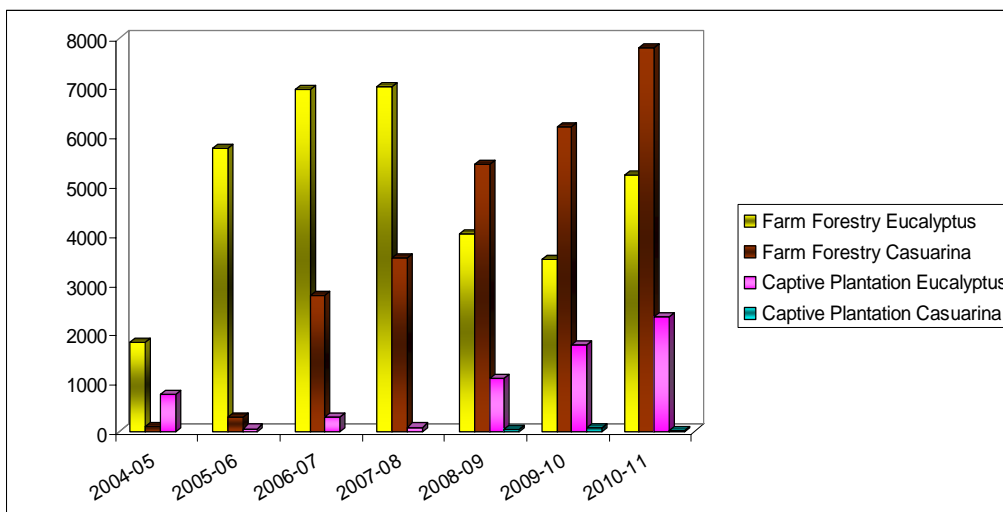
Initially during 2004-05 and 2005-06 only seedlings origin plantations have been raised both under Farm Forestry and Captive plantation Schemes. The area under Captive plantation scheme also was less during those periods. But after creation of CPRC during 2007, the Eucalyptus/Casuarina clones have been introduced and the clonal plantations have been raised through out Tamil Nadu in massive manner under these schemes. Through effective implementation of the above said plantation schemes, TNPL has so far developed 66,807 acres of pulpwood plantation till 31st March2011 involving 12,532 farmers as detailed below:

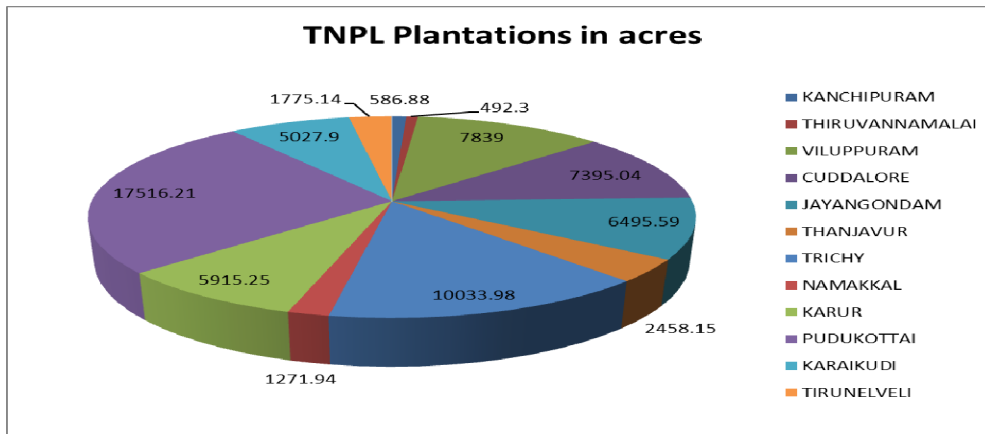
Scheme wise Plantation Raised by TNPL upto 31.03.2011

Year of Raising	Farm Forestry	Captive Plantation	Total area in Acre	No. of Farmers
2004-05	1890.70	741.00	2631.70	480
2005-06	6055.53	59.90	6115.43	1475
2006-07	9717.53	281.14	9998.67	2158
2007-08	10528.71	86.28	10614.99	2209
2008-09	9448.00	1131.23	10579.23	2093
2009-10	9687.14	1830.20	11517.34	1909
2010-11	13000.72	2349.30	15350.02	2208
Total	60328.33	6479.05	66807.38	12532



Specieswise plantation achievement as on 31.03.2011





The TNPL has established separate Forestry Research and Development unit to cater the scientific and technical needs of the plantation programme. To sub serve the technical and scientific needs, the industry has established adequate research linkage with Forest College & Research Institute, Tamil Nadu Agriculture University, Institute of Forest Genetics and Tree Breeding, State Forest Department and other wood based industries in order to exchange germplasm, development of new varieties and hybrids, precision silviculture technologies to increase the productivity and to reduce rotation, integrated pest and disease management and also socio economic and environmental impact. Hence the current establishments at TNPL and the multi partite linkages will help to introduce new scientific and technical knowledge to augment the pulp wood production.

TNPL MARKETING

TNPL produces a wide portfolio of high quality surface sized and non-surface sized papers which are best suited for high-tech printing machines. The papers come in various gsm's for end-user applications.

Surface-Sized varieties:

- Print Vista
- Pigmented Paper
- Elegant Printing
- Superprint Maplitho
- Copier Paper

Non-Surface Sized Varieties:

- Hitech Maplitho
- Radiant Printing
- Ace Marvel
- Offset Printing
- Creamwove

Salient features of key products:

Print Vista: A premium product with highest degree of uniformity and almost zero two-sidedness. Ideal for

high-end printing segments like diaries, calendars, annual reports, brochures, catalogues, etc. and also for other multi-color, high resolution, high speed web and sheet fed offset printing.

Pigmented Paper: Surface-sized product with light-weight coating. Ideal for multi-color offset printing.

Elegant Printing: Most preferred among printing units and diary, calendar and text book manufacturers. Excellent surface finish and brightness.

Superprint Maplitho: Its smooth surface and excellent finish ensures unmatched print evenness. Consumes lowest ink while favoring high degree of runnability.

Hitech Maplitho: An economical paper offering combination of high brightness, strength and stiffness, with improved optical properties.

Radiant Printing: Non-surface sized paper offering good strength and brightness. Ideally suited for commercial grade printing such as text books, notebooks, etc.

Ace Marvel: Ideal for Thermal & Carbonless Coating, Notebooks, Dictionaries and Computer Stationery.

Offset Printing: Ideal for high speed commercial offset printing and continuous stationery and textbooks.

Creamwove: A traditional product that portrays the TNPL stamp of quality. Ideal for examination papers, general writing, textbooks and continuous stationery.

TNPL Copier – Platinum: A widely acclaimed photocopy paper with improved bulk and optimized fibre orientation. Known for its “jam-less duplex copying” and “wrinkle-free copying”. Has high dimensional stability and hence most sought after product.

Copy Crown: A super bright copier with high opacity and highly preferred as a multi-purpose paper. Performs well on Laser, Inkjet, Plain Paper Fax Machines and Digital Copiers.

TNPL Perfect Copier: A product that caters to a niche segment that requires Copier Paper in 85 gsm.

TNPL Ezee Write: Ready-to-use packaged writing paper which is marketed in Academy and Double Foolscap Sizes.

TNPL Printer’s Choice: Cut-size, high quality surface sized paper for publishing and printing. Comes in commercial offset printing sizes.

Eco-friendly Exercise Notebooks: To cater to the needs of the student community directly, TNPL produces premium soft-bound notebooks. They come in attractive and trendy wrapper designs, durable binding and high quality paper for smooth and hassle-free writing. Popular sizes and attractive price ranges.

TNPL markets its products throughout the country and exports about 20% of its products to many countries across the globe. These grades of printing and writing papers are manufactured in reel and sheet form with gsm varying from 47 to 120 gsm. The reels and sheets are cut and supplied to suit customer requirements.

TNPL markets its products all over India through a well-established network of Dealers located in all the major consumption centers. Products are also marketed directly to Corporates and other large institutional buyers, Government Departments. Exports are also done through Agents located outside India.

THE EXPORT NETWORK



- 1. Australia
- 2. Egypt
- 3. Greece
- 4. Indonesia
- 5. Jordan
- 6. Kenya
- 7. Malaysia
- 8. Myanmar
- 9. Nepal
- 10. Nigeria
- 11. Philippines
- 12. Singapore
- 13. Sri Lanka
- 14. Sudan
- 15. South Africa
- 16. Taiwan
- 17. Turkey
- 18. U.A.E
- 19. U.K
- 20. Yemen

TNPL’s production capacity has increased from 2,45,000 tons per annum to 4,00,000 tons per annum. Annual Sale has crossed ₹ 1000 Crore for the third consecutive year. Current Year Sales (2010-11) of ₹1184.44 Crore is the highest ever achieved. Export sales leaped from 50,394 tons to 64,776 tons during the year 2010-11. TNPL has received FSC Chain of Custody (C-o-C) and Controlled Wood Certificate from M/s. Smart Wood Program of Rainforest Alliance, USA for complying with FSC-STD-40-004 and FSC-STD-40-005 Standards. TNPL also has Marketing Offices in Delhi, Mumbai, Kolkata, Chennai, Sivakasi, Bengaluru, Hyderabad and Ernakulam to service the needs of customers in these zones. Regular Customer Meets are arranged for continuous customer feedback and evaluation.

The quality complaints on paper manufactured by TNPL are received at Corporate Office and Factory Office at the following address:

Corporate Office	Factory Office
Thiru K.George Thomas Chief General Manager (Mktg.) TNPL 67 Mount Road Guindy Chennai -600 032 Tel No.22354415-20 Fax No.22350834 / 22354614	Thiru C Subramanian AGM (Marketing) TNPL Kagithapuram-639136 Karur District Tel No.04324- 277001 to 20 Fax No.-04324- 277028 to 29

The quality complaints are attended within a maximum of two weeks. Wherever necessary, the company

deputes its marketing and quality control personnel for attending the complaints and redressing customer grievances.

OTHER AWARDS AND ACCOLADES

EXCELLENCE IN COST MANAGEMENT AWARD

Institute of cost and work Accountants of India for the year 2009.

"BEST PAPER MILL 2001-02"

TNPL has been given the prestigious award "**Paper Mill of the year 2001-2002**" for TNPL's overall performance, approaches for meeting social obligations, ensuring global competitiveness, sustainable development & technology options by the Indian Paper Manufacturers' Association, New Delhi.

Paper Mill of the year Award for the year 2007-08. Indian Paper Manufacturer Association.

"EXPORT AWARD" & STATUS

TNPL has bagged the CAPEXIL "**SPECIAL EXPORT AWARD**" for the 9th consecutive year, for its outstanding export performance during the year 2006-07.

The Government of India has given "**TRADING HOUSE**" status to TNPL recognising the export performance.

TNPL has been bestowed the "Niryat Shree Award" by Federation of Indian Export Organisation (FIEO) for the high degree of excellence it has demonstrated in exports.

"Corporate Social Responsibility Award was received from Dy. Chief Minister, Government of Tamil Nadu for the year 2007-08.

"EXCELLENCE IN CORPORATE GOVERNANCE"

The Institute of Company Secretaries of India (ICSI), New Delhi has conferred on TNPL, the "ICSI National Award of Excellence in Corporate Governance" for the year 2004 in the Public Sector category. This is the first time such a prestigious award in Corporate Governance has been given to a State Public Sector Undertaking. So far, in the last two years, only major Central Public Sector Undertakings, viz. ONGC and IBP got the award.

CERTIFICATE OF EXCELLENCE

TNPL bagged, the Certificate of Excellence in Productivity, Quality, Innovation and Management from the "Institute of Economic Studies", New Delhi for the year 2004.

SAFETY AWARD

TNPL was awarded the commendation award on "CII Leadership & Excellence in Safety, Healthy &

Environment (SH&E) year 2002" during the month of February 2003.

ENERGY AWARD

TNPL has bagged the National Energy Conservation Award for the year 2001 from Government of India, in recognition of its outstanding achievement in energy management. National Energy conservation award in office Building sector for the 2006 from the ministry of power, Government of India ,New Delhi.

BEST CORPORATE CITIZEN

Loyola Institute of Business Administration (LIBA) Chennai has adjudged TNPL as the " Best Corporate Citizen 1999" and bestowed the Mother Theresa Award by recognizing its

- Outstanding social commitment
- Exploring eco-friendly technology
- Professional Management
- Customer friendly and community caring enterprise.

RATING BY CRISIL & ICRA

Credit Rating Information Services of India Ltd (CRISIL) has reaffirmed the rating of "FAA+" for TNPL's Fixed Deposit Program, indicating the high degree of safety. ICRA Ltd has reaffirmed the highest rating of "A1+" for TNPL's Commercial Paper program.