



TAMIL NADU NEWSPRINT AND PAPERS LIMITED

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UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30th SEPTEMBER 2008 (Rs. in Crore)

Particulars	Quarter Ended 30-09-2008	Quarter Ended 30-09-2007	Half-Year Ended 30-09-2008	Half-Year Ended 30-09-2007	Year Ended 31-03-2008	SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED FOR THE QUARTER ENDED 30th SEPTEMBER 2008 (Rs. in Crore)					
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	Particulars	Quarter Ended 30-09-2008	Quarter Ended 30-09-2007	Half-Year Ended 30-09-2008	Half-Year Ended 30-09-2007	Year Ended 31-03-2008
1. a) NET SALES / INCOME FROM OPERATIONS	288.82	239.16	537.24	453.17	938.53						
b) OTHER OPERATING INCOME	6.92	6.61	13.13	11.42	30.00	A) Primary Segments					
TOTAL INCOME [(a)+(b)]	295.74	245.77	550.37	464.59	968.53	1. Segment Revenue					
Less :						a) Paper	281.72	225.15	523.20	426.80	903.81
2. EXPENDITURE						b) Energy	49.28	44.66	96.42	82.56	154.59
a) (Inc.)/ Dec. in Stock-in-trade	2.18	(8.15)	(3.17)	(12.29)	(1.10)	Sub-Total	331.00	269.81	619.62	509.36	1058.40
b) (Inc.)/ Dec. in Stock of Raw materials and in Work in Progress	7.84	7.54	(13.09)	(3.47)	0.89	Less: Inter Segment Revenue	42.18	30.65	82.38	56.19	119.87
c) Raw materials & Chemicals	66.77	68.81	143.78	136.24	281.07	Net Sales / Income from Operations	288.82	239.16	537.24	453.17	938.53
d) Power, Fuel & Water Charges	68.42	46.05	146.36	96.21	194.47	2. Segment Results [Profit (+) / Loss (-) before Tax and Interest]					
e) Employees cost	19.36	15.68	37.57	34.34	68.11	a) Paper	59.96	49.15	103.12	87.20	180.78
f) Depreciation	24.24	18.99	46.51	36.12	75.54	b) Energy	3.96	5.78	6.70	9.96	15.46
g) Repairs and Maintenance	16.80	14.20	29.39	27.65	51.22	Sub-Total	63.92	54.93	109.82	97.16	196.24
h) Other expenditure	28.19	29.15	57.56	56.11	112.00	Less: i) Interest	11.60	4.47	20.62	9.60	24.25
i) Total	233.80	192.27	444.91	370.91	782.20	ii) Other unallocable expenditure net of unallocable income	1.56	1.21	3.58	2.98	8.78
3. Profit from Operations before Other Income, Interest & Exceptional Items (1 - 2)	61.94	53.50	105.46	93.68	186.33	Add : Prior period / Exceptional Items	(0.63)	0.00	(1.14)	0.00	(0.15)
4. Other Income	0.42	0.22	0.78	0.50	1.13	Total Profit Before Tax	50.13	49.25	84.48	84.58	163.06
5. Profit before Interest & Exceptional Items (3+4)	62.36	53.72	106.24	94.18	187.46	3. Capital Employed (Segment Assets - Segment Liabilities)					
6. INTEREST AND FINANCE CHARGES	11.60	4.47	20.62	9.60	24.25	a) Paper	1324.34	1145.91	1324.34	1145.91	1172.98
7. PROFIT AFTER INTEREST BUT BEFORE EXCEPTIONAL ITEMS (5-6)	50.76	49.25	85.62	84.58	163.21	b) Energy	182.02	173.29	182.02	173.29	179.05
8. Prior Period / Exceptional Items	(0.63)	0.00	(1.14)	0.00	(0.15)	c) Other Unallocable Liabilities (Net)	43.25	11.49	43.25	11.49	28.76
9. PROFIT FROM ORDINARY ACTIVITIES BEFORE TAX (7+8)	50.13	49.25	84.48	84.58	163.06	Total Capital Employed	1549.61	1330.69	1549.61	1330.69	1380.79
10. Tax Expense	9.86	16.01	19.56	27.61	50.23	B) Secondary Segments					
11. NET PROFIT FROM ORDINARY ACTIVITIES AFTER TAX (9-10)	40.27	33.24	64.92	56.97	112.83	1. Segment Revenue					
12. Extraordinary Items (net of tax expenses)	0.00	0.00	0.00	0.00	0.00	a) Paper					
13. NET PROFIT FOR THE PERIOD (11 - 12)	40.27	33.24	64.92	56.97	112.83	India	220.53	183.30	426.20	355.66	757.20
14. PAID UP EQUITY SHARE CAPITAL (Equity Shares of Rs. 10/- each)					69.21	Rest of the World	61.19	41.85	97.00	71.14	146.61
15. RESERVES EXCLUDING RE-VALUATION RESERVES					570.63	Sub-Total	281.72	225.15	523.20	426.80	903.81
16. EARNINGS PER SHARE (EPS) BASIC AND DILUTED						b) Energy sold within India	49.28	44.66	96.42	82.56	154.59
ñ Before Extraordinary Items (Rs.)*	5.82	4.80	9.38	8.23	16.30	Total (a) + (b)	331.00	269.81	619.62	509.36	1058.40
ñ After Extraordinary Items (Rs.)*	5.82	4.80	9.38	8.23	16.30	Less : Inter-Segment Revenue	42.18	30.65	82.38	56.19	119.87
17. PUBLIC SHARE HOLDING						Net Sales / Income from Operations	288.82	239.16	537.24	453.17	938.53
ñ NUMBER OF SHARES	44765700	44765700	44765700	44765700	44765700						
ñ PERCENTAGE OF SHAREHOLDING	64.68	64.68	64.68	64.68	64.68						

* Not Annualised.

Note:

- The above unaudited financial results were reviewed by the audit committee and approved by the Board of Directors on 23rd October, 2008 and a limited review of the same has been carried out by the statutory auditors of the Company.
- Wherever necessary, previous year's figures have been regrouped /restated to conform to current year's classification.
- The impact of changes in exchange rate pertaining to unhedged foreign currency assets and liabilities as on 30-09-2008 have not been considered. In case such items are revalued at the closing exchange rate on 30-09-2008, the net result would have been lower by Rs. 1.42 crore.
- The Company has entered into Forward Contracts to hedge the future payables related to project imports and future receivables (exports). The mark to market notional loss on such contracts outstanding as on 30-09-2008 aggregating to Rs.26.79 crore is recognised in the Hedging Reserve account in accordance with AS 30 to be dealt with in the financial statements in accordance with Generally Accepted Accounting Principles on the settlement dates.
- Exchange loss/gain during project construction period is adjusted against the cost of fixed assets on a consistent basis. Accounting of exchange gain of Rs.18.74 crore pertaining to the project construction period as above in the previous years was qualified by the Auditors in the Accounts for the year ended 31-3-2008 stating that the profit has been understated to the extent of exchange gain adjusted in the fixed assets. The Company has referred the matter to the Expert Advisory Committee of the Institute of Chartered Accountants of India for opinion. Pending receipt of opinion, the Company continues to follow the same accounting treatment for the current year also. However, the Auditors in the Limited Review Report for the half year ended 30-9-2008 have observed that (i) the reduction of exchange gain in the cost of fixed assets in the previous years has resulted in understatement of depreciation by Rs.0.39 crore and (ii) accounting of exchange loss on forward contracts incurred during the current year pertaining to the project construction period in capital work-in-progress has resulted in understatement of interest and finance charges by Rs.4.71 crore and consequently profits overstated for the half year ended 30-9-2008 to an extent of Rs.5.10 crore.
- Tax Expenses is net of MAT Credit entitlement of Rs.8.71 Crore relating to previous year.
- During the quarter, the company received 11 complaints from the shareholders which were all duly resolved. There are no complaints remaining unresolved as at the beginning and at the end of the quarter.

For and on behalf of the Board

Md. NASIMUDDIN, I.A.S.
Managing Director

Place : Chennai - 32

Date : 23-10-2008

DIPR/1953/Display/2008