



MEMORANDUM OF UNDERSTANDING

BETWEEN

HINDUSTAN PAPER CORPORATION LIMITED

AND

DEPARTMENT OF HEAVY INDUSTRY

MINISTRY OF HEAVY INDUSTRIES & PUBLIC ENTERPRISES

GOVERNMENT OF INDIA

FOR

FY 2011- 2012

HINDUSTAN PAPER CORPORATION LIMITED

MoU FOR FY: 2011 – 2012

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PART-IA. VISION

- To continue to be the preferred manufacturer of quality Paper and Newsprint in India.
- To be a dominant player in the mass consumption varieties of Writing & Printing Paper(WPP) and a significant producer of value - added variety of paper.

B. MISSION

- To install, enhance and operate large capacity Newsprint/Paper Mills on sound commercial principles.
- To continuously upgrade and upscale production output and enhance market share.

C. OBJECTIVES

- To attain a group sales turnover of Rs. 3000 cr. by 2018 (Rs.1300 cr. from existing operating mills and Rs.1700 cr. out of new capacity).
- To ensure optimum utilization of existing assets for maximizing generation of internal resources for funding modernization and expansion of installed capacity and creation of production capacity at new locations. (An estimated capital outlay of Rs. 960 cr. towards Modernization & Technical Upgradation of Nagaon Paper Mill & Cachar Paper Mill with expansion of capacity of Nagaon Paper Mill);
- To implement technological upgradation of the existing plant and equipment for deriving the maximum possible benefits in terms of increased volume of production and improved quality of products for achieving overall cost effectiveness.
- To enlarge market share by increasing the thrust on open market sales along with bulk sales to the institutional sector. (Open market sales are expected to touch 75% of the total sales value by 2018).
- To ascend the value - chain by manufacturing premium varieties like copier paper, surface-sized maplitho, lower gsm newsprint etc. so as to enhance profitability and market share both in domestic and export segments particularly through development of niche markets. (Such value - added paper is expected to touch 50 % of the production by 2018).
- To preserve the ecological balance in the vicinity of the mills.
- To continuously invest in the capacity - building of personnel for improving their knowledge, skills and attitude.
- To spearhead applied research for adoption of state-of-art technological breakthrough in operational efficiency. (The applied R & D expenditure envisaged to touch 1% of net sales by 2015).
- To explore utilization of locally available renewable raw materials to eventually reduce dependence on forest - based resources. (Share of renewable non-forest-based raw materials envisaged to touch 25% of total raw material requirement by 2018).

