CHAPTER - VI

SUMMARY AND CONCLUSIONS

6.1. Introduction

In this final chapter, an attempt has been made to recapitulate the salient features of the study and to derive out the valid conclusions emerging from the foregoing analysis. Most of the studies reviewed in this study suggest that no systematic effort has been made to compare the public sector enterprise with that of the private sector enterprise which are engaged in manufacturing printing and writing papers. Thus the present study seeks to compare both the public sector enterprise, viz Tamil Nadu Newsprints and Papers Limited (TNPL) with that of the private sector enterprise, viz Seshasayee Papers and Boards Limited (SPBL).

6.2. Objectives

The objectives of the study are:

1. to evaluate the production of public sector enterprise with that of the private sector enterprise
2. to examine the sales turnover of public sector enterprise with that of the private sector enterprise.
3. to compare the net profits of public sector enterprise with that of the private sector enterprise.
4. to assess the exports of public sector enterprise with that of the private sector enterprise.
5. to analyze the income of public sector enterprise with that of the private sector enterprise.

6. to compare the expenditure incurred between the public sector enterprise with that of the private sector enterprise.

7. to evaluate the employment generation between the public sector enterprise and private sector enterprise.

8. to examine the CSR activities between the public sector enterprise and private sector enterprise.

9. to assess the measures taken up by the respective paper mills to prevent the environmental damage.

6.3. Hypotheses

The study intends to verify the following hypotheses:

There is no significant difference in

1. Sales of paper products between the public sector enterprise and the private sector enterprise.

2. production between the public sector enterprise and the private sector enterprise

3. Income earned between the public sector enterprise and the private sector enterprise

4. expenditure between the public sector enterprise and the private sector enterprise

5. exports between the public sector enterprise and the private sector enterprise
6. net profits between the public sector enterprise and the private sector enterprise

7. employment generation between the public sector enterprise and the private sector enterprise

6.4. Data

The study is conducted based on secondary data. The secondary data were collected from the Annual Reports of the Tamil Nadu Newsprints and Papers Limited and Seshasayee Papers and Boards Limited. The focus of this study was to compare both the companies, viz, Tamil Nadu Newsprints and Papers Limited and Seshasayee Papers and Boards Limited. For this purpose, the collected data were analyzed with appropriate tools with the help of SPSS. The reference period for the study was 14 years from 2000-2001 to 2013-2014.

6.5. Tools of Data Analysis

First, Mann-Whitney U test and Wilcoxon test were used for the purpose of comparing the production and sales of Tamil Nadu Newsprints and Papers Limited and Seshasayee Papers and Boards Limited.

Second, ARIMA models were used to predict the production and sales of paper products for both the Tamil Nadu Newsprints and Papers Limited and Seshasayee Papers and Boards Limited.
Third, Karl Pearson rank correlation was used to analyze the income, expenditure, net profits, exports and employment generation and to compare TNPL with that of SPBL.

Fourth, Compound Annual Growth Rate (CAGR) was used to measure the growth rate of its production, sales, income, expenditure, net profits, exports and employment generation.

6.6. Chapterization

The present study comprises of six chapters wherein the first chapter is the Introduction, second chapter presents the review of available literature, third chapter discusses the methodology adopted for this study, fourth chapter discusses about the profile of the selected paper mills, fifth chapter makes a comparison between the selected paper mills in Tamil Nadu with regard to production, sales turnover, income, expenditure, net profits, exports and employment generation and the last chapter provides the summary, conclusions and suggestions.

6.7. Major Findings of the study

Comparison has been made between TNPL and SPBL with respect to production, sales, net profits, exports, income and expenditure and employment generation.
The major findings of the study are given below:

6.7.1. Sales

Though there was a fluctuation, but there has been a continuous growth in the sales of writing and printing papers of Tamil Nadu Newsprints and Papers Limited and Seshasayee Papers and Boards Limited. The sales turnover of TNPL has increased from Rs 59,519.61 in 2000-2001 to Rs.2,301,95 in 2013-2014. The sales turnover of SPBL has increased from 1,12,970 metric tonnes in 2000-2001 and has gone up to 1,77,917 metric tonnes in 2013-2014. There has been an upward trend in the sales of writing and printing papers of both the paper mills. But the growth rate of sales of TNPL was 11.50 per cent whereas the growth rate of sales of SPBL was 3.55 per cent.

The Mann-Whitney ‘U’ test shows that there has been a significant difference in sales between Tamil Nadu Newsprints and Papers Limited and Seshasayee Papers and Boards Limited. Hence the public sector enterprise (TNPL) was performing better than the private sector enterprise (SPBL) with respect to sales.

6.7.2. Production

There has been an overall growth in the production of Tamil Nadu Newsprints and Papers Limited. The production of printing and writing papers has increased from 1,28,966 metric tonnes in 2000-2001 to 3,87,714 metric tonnes in 2013-2014. Similarly, there has been a considerable growth in the production of writing and printing papers of Seshasayee Papers and Boards Limited. The
production of writing and printing papers was 1,01,812 metric tonnes in 2000-2001 and has increased to 1,782,72 metric tonnes in 2013-2014. Although there was a fluctuation in the initial years, there was a continuous growth in the production of writing and printing paper of Tamil Nadu Newsprints and Papers Limited and Seshasayee Papers and Boards Limited. There has been an upward trend in the production of writing and printing papers of both the paper mills. The growth rate of production of TNPL was 7.56 per cent whereas the growth rate of production of SPBL was 4.4 per cent.

The Mann–Whitney ‘U’ test and Wilcoxon test show that there was a significant difference in production of Tamil Nadu Newsprints and Papers Limited and Seshasayee Papers and Boards Limited, It has been hypothesized that there was no significant difference in production between the TNPL and SPBL. The result shows that the performance of Tamil Nadu Newsprints and Papers Limited was better than the performance of Seshasayee Papers and Boards Limited. Hence, there has been a significant difference between the production of Tamil Nadu Newsprints and Papers Limited and the production of Seshasayee Papers and Boards Limited. Thus, the data clearly indicate that the public sector enterprise was performing well as compared to the private sector enterprise with respect to production.

6.7.3. Income

The total income of Seshasayee Papers and Boards Limited has increased continuously from Rs.30,560 in 2001-2002 to Rs. 1,01,612 in 2013-2014. The total income of Tamil Nadu Newsprints and Papers Limited has also increased during the
study period except in 2009-2010. The income of TNPL was Rs.61,476.95 in 2000-2001 and has increased to Rs.2,30,194.50 in 2013-2014. There has been an increase in income of both the paper mills. The testing of the hypothesis with respect to income shows that the growth rate of income during the 14 year period was 11.56 per cent for Tamil Nadu Newsprints and Papers Limited whereas the growth rate of income during the same period for Seshasayee Papers and Boards Limited was 9.59 per cent. Karl Pearson rank correlation was also used to compare TNPL with that of SPBL. The result of the study indicates that the growth rate of income of public sector enterprise (TNPL) was high as compared to the growth rate of income of private sector enterprise (SPBL).

6.7.4. Expenditure

The expenditure of TNPL and SPBL has increased continuously. The expenditure of Tamil Nadu Newsprints and Papers Limited has increased from Rs.52,484.58 lakhs in 2001-2002 to Rs.2,09,926.93 lakhs in 2013-2014 whereas the expenditure of Seshasayee Papers and Boards Limited has increased from Rs.23,025 lakhs in 2001-2002 to Rs.97,488.88 lakhs in 2013-2014. It has been hypothesized that there was no significant difference between the expenditure incurred between the TNPL and the SPBL. The growth rate of expenditure incurred by TNPL was 11.25 per cent whereas the growth rate of expenditure incurred by SPBL was 11.74 per cent. The result of the study shows that although there was no significant difference between the expenditure incurred, the growth rate of TNPL was less when compared to the growth rate of SPBL. Karl Pearson rank correlation was used to compare the expenditure of TNPL with that of SPBL. The result of the study
indicates that the growth rate of expenditure of private sector enterprise was high as compared to the growth rate of expenditure of public sector enterprise. Thus, the public sector enterprise (TNPL) was performing well with respect to the expenditure incurred.

6.7.5. Exports

The products of Tamil Nadu Newsprints and Papers Limited and Seshasayee Papers and Boards Limited are exported to other countries. A comparison of exports between the Tamil Nadu Newsprints and Papers Limited are compared with the exports of Seshasayee Papers and Boards Limited has been made over a period of one and a half decades with the help of Karl Pearson rank correlation. It has been hypothesized that there is no significant difference in exports between the TNPL and SPBL. The growth rate of exports of TNPL was 7.65 per cent whereas the growth rate of SPBL was -4.22 per cent. The growth rate of exports of SPBL shows a negative sign which indicates the fall in the exports of the Company. Hence, it is concluded that the public sector enterprise (TNPL) was performing well as compared to the private sector enterprise (SPBL) with respect to exports.


The net profit of Tamil Nadu Newsprints and Papers Limited has been compared with that of net profits of Seshasayee Papers and Boards Limited. Karl Pearson rank correlation was used to compare the net profits of TNPL and SPBL. It has been hypothesized that there is no significant difference in net profits between the public sector enterprise and the private sector enterprise. The growth rate of net
profits of TNPL was 12.38 per cent whereas the growth rate of net profits of SPBL was 12.34 per cent. Thus, the result of the study shows that the performance of public sector enterprise (TNPL) was high as compared with the private sector enterprise (SPBL) with respect to net profits.

6.7.7. Employment

There are four categories of persons employed in both the organizations, viz, executives, staff including sub staff, charge men and workmen. Though the companies are using modern expertise technology, there has been an increase in the manpower in both the paper mills. In 2000-2001, the total number of workers in TNPL was 1139 and the total number of workers in SPBL was 927. The number of workers has increased to 2159 in TNPL and 1847 in SPBL in 2013-2014. Karl Pearson rank correlation was used to compare TNPL with that of SPBL. The result shows that there is a significant difference in the employment generation between the TNPL and SPBL. The growth rate of employment generation of TNPL was 4.51 per cent whereas the growth rate of employment generation of SPBL was 4.61 per cent. Thus the private sector enterprise, viz. SPBL provides more employment opportunities to the people than that of the public sector enterprise, viz. TNPL.

Thus, the results of the study indicate that the performance of the public sector enterprise, viz, Tamil Nadu Newsprints and Papers Limited was better with respect to production, sales turnover, income, expenditure, net profits and exports whereas the performance of the private sector enterprise, viz, Seshasayee Papers and Boards Limited was better with respect to the employment generation.
6.8. Corporate Social Responsibility - TNPL

TNPL has started two schools to cater to the needs of the employees’ children, provides free scholarships to the economically weaker sections of the society, distributed notebooks at free of cost to the poor children of Sri Lankan Refugees and the surrounding areas of the mill premises and is giving special coaching classes to 10th and 12th standard students to get good marks in the public examinations. TNPL is organizing free medical and eye camps every year and supplies medicines at free of cost. It also provides financial assistance to the individuals for major illness. TNPL has undertaken road developments and improvements apart from construction of public toilets. It has also constructed drains and retaining walls under the TNPL Effluent Water Lift Irrigation Society (TEWLIS). TNPL provides various kinds of vocational training to rural youth, training on sewing and apparel and bee keeping was given to women to improve their employability and their economic status. Livestock and cattle care camps are conducted in the neighbouring villages and medicines are provided and mobile vaccination camps are held regularly by the TNPL. TNPL has constructed water service reservoirs and water tanks for providing protected drinking water.

TNPL has hosted Sports Level Athletic Championships and the students have won medals at the State Level. Volley Ball and Kabaddi tournaments were conducted to encourage sports and the Company has donated Rs.10 lakhs for the construction of Sports Complex at Karur. Debates and Symposiums are held by the TNPL for promoting arts and culture. The Company celebrates Thai Pongal festival and Tamil New Year’s Day with enthusiasm to promote arts and culture.
TNPL has contributed Rs.10 lakhs towards Cargill fund, Rs.15 lakhs towards the Earthquake Relief Fund, Gujarat. TNPL is also conducting Farmers Meet regularly to train the farmers in the scientific method of cultivation and recent trends in farming. TNPL carries out a periodic study of soil conditions and trains the farmers to get better yield.

6.8.1. Corporate Social Responsibility - Seshasayee Papers and Boards Limited

The Seshasayee Papers and Boards Limited is diverting its treated water from the paper industry towards the cultivation of sugar cane and thus converting the dry lands into wet lands wherein the Company has entered into a tripartite agreement with the local farmers and its sister concern, Ponni Sugars. As per the agreement, the treated water from SPBL is let into the lands of the local farmers for the cultivation of Sugarcane. In turn, the farmers sell the sugarcane to Ponni Sugars. Ponni Sugars supplies its bagasse as raw material to SPBL for producing paper. SPBL has introduced Contract Farming thereby providing technical expertise to farmers towards the growing of eucalyptus and casuarina wood with buy back scheme to the farmers. SPBL provides drinking water facilities. Community Health Centres has been established to provide education from primary up to secondary level, constructed rain harvesting structures, public toilets and village roads. Old village temples were renovated and blood donation camps and eye camps are being organized by the SPBL.
6.9. Measures taken up to prevent environmental damages by TNPL and SPBL

Both the TNPL and the SPBL have undertaken several preventive measures to safeguard the environment. TNPL manufactures and markets paper using materials and processes that help minimize waste, conserve resources and protect Earth’s bio-diversity. Harnessing of wind energy, adoption of greener technologies, resource conservation, responsible waste management and minimal pollution loads make Tamil Nadu Newsprints and Papers Limited as one of the most environmentally compliant mills in India.

Seshasayee Papers and Boards Limited is concentrating much more on the conservation of the environment. In order to arrest dust emissions, power boilers and recovery boilers are equipped with Electro Static precipitators. The company has installed an anaerobic lagoon for treating the liquid effluents and a secondary treatment system for total mill effluent. These facilities are operating as per the norms prescribed by the Pollution Control Authorities.

6.10. Limitations of the Study

There seems to be an apparent limitation to the study that due to constraint of time, a sample of two paper mills has been selected among the entire paper industry in Tamil Nadu which might not be the true representative and more data and information about the paper mills would have made the study exhaustive. Hence, the result of the study may not be applicable to the wide geographical areas.
6.11. Suggestions

Based on the findings of this study, the following suggestions are made

1. Substantial capital is in need of the companies for technological upgradation. Research and Development to be strengthened with necessary infra-structure to support the company in achieving the objective towards increasing the productivity of the company. TNPL is marketing its note books through their own website for the benefit of students. The notebooks are given door delivery with 10 per cent discount to the customers. TNPL can adopt the same for writing and printing papers. SPBL can also promote its products by emulating TNPL in the similar way. Both the paper mills can take bulk orders from the nearby schools in and around the mill premises for marketing their products.

2. The growth in the service sector would boost up the demand for paper products. For official purpose, a lot of papers are being used at the recruitment process, in the form of letters, instructions and training materials and this would definitely help the paper industry to grow further.

3. The demand for paper products, such as tissue papers, filter papers, light weight papers is growing due to the increase in the population. TNPL and SPBL can also have tie up with MNCs for providing printing and writing papers at concessional rates so that they will have regular customers and business can thus be improved.

4. By manufacturing and improving the quality of writing and printing paper, the exports can be expanded substantially throughout the world. Necessary
measures to be taken up to improve the quality of the papers. Also the
Government may provide adequate export incentives for the paper mills to
increase the exports of their products.

5. The production costs are to be kept at the minimum. The Government may
take necessary initiatives to reduce the cost of transportation towards
handling at ports. Cost reduction and cost control measures are to be taken to
increase the profits of the Companies.

6. Paper industry provides employment opportunities by developing the paper
industry in backward and rural areas, to improve the socio-economic
conditions of the backward class in the rural areas. Therefore, the
governments have to come out with the starting of paper industries in rural
areas to provide livelihood for the backward and weaker sections of the
society.

6.12. Suggestions for future Research

The results of the study with its limitations would lead to future research
opportunities. The Researcher tries to convey the message that this thesis is not an
end by itself, but a starting point in another journey. The present study has dealt with
the comparative study of public sector enterprise with private sector enterprise with
respect to production, sales and future production and sales have been forecasted
with the help of ARIMA models. Also, income, employment generation, exports
and net profits have been compared between the public sector enterprise and private
sector enterprise. Further research can be done on the financial aspects with respect
to assets and liabilities of both the public sector enterprise and private sector
enterprise in India. Writing and printing papers has been taken for the study purpose. Now-a-days there is a great demand for fast moving packaged consumer goods. This would definitely increase the demand for carton boxes, corrugated boxes and packaging materials which would boost up the paper industry. Packaging materials, tissue papers, corrugated boxes manufactured by various paper mills can be taken for future research. Research can be extended towards the waste paper collection mechanism, recycling of papers, utilization of non-conventional raw materials for production of various grades of pulp, finding out new approaches in processing and paper making of recycled fibre to improve the quality of end product. Research can be also be done on energy utilization and conservation and supply chain management of the various paper mills in India.

6.13. Conclusion

Section one of the chapter analyses the production, sales, income, expenditure, exports, net profits and employment generation between the public sector enterprise and the private sector enterprise. As regards the testing of hypotheses, the statistical tools were used to empirically test the data and found that all the null hypotheses have been rejected and all the alternative hypotheses have been accepted which states that there was a significant difference in production, sales, income, expenditure, net profits, exports and employment generation between the public sector enterprise (TNPL) and the private sector enterprise (SPBL). The sales turnover and production of SPBL and TNPL has been predicted by using ARIMA Models. The result of the study indicates that the sales and production of both TNPL and SPBL is expected to go up in the future.
Section two of the chapter deals with the corporate social responsibility of the public sector enterprise and the private sector enterprise. Both the enterprises have implemented several schemes for the benefit of the people. In the era of globalization, liberalization and privatization, the resources including the government are being diverted to private sector enterprises. The private sector enterprises are given concessions and support measures for its promotion against the public sector undertakings. In our study, the seven factors, viz. production, sales, income, expenditure, net profits, exports and employment generation have been considered for the evaluation of the paper industry, the public sector enterprise, viz. TNPL has been performing well and may be considered for better performance of the paper industry. Therefore, it is advised to promote the public sector undertakings for the welfare of the nation.