2.1 COMPANY PROFILE

Hindustan Newsprint Limited (HNL) is a Government of India (Central Public Sector) enterprise under the administrative jurisdiction of the Department of Heavy Industry, Ministry of Heavy Industries and Public Enterprises. The plant is located at Vellore, in the kottayam district of the Kerala state. HNL was incorporated as a wholly owned subsidiary of the Hindustan Paper Corporation limited (HPC) on June 07, 1983 with the main objective of taking over the business of Kerala Newsprint Projects as a unit of Hindustan Paper Corporation Limited. HNL produces exceptional quality newsprint for the Indian and International market, which is comparable with the best in the global market.

Newsprint is a special type of paper used for printing of newspapers, magazines etc. Indian paper industry had also faced competition from foreign market after lowering the import duties which are favorable to the international competitors. HNL is one of the subsidiaries of Hindustan Paper Corporation (HPC). HPC is a company promoted by the government of India. It is one of the largest manufacturers of writing and printing paper. The company has two subsidiaries namely Hindustan Newsprint Limited (HNL) and Nagaland Pulp and Paper company limited (NPPC).
2.2 VISION AND MISSION

2.2.1 Vision

The vision of HNL is to become a dominant player in the mass consumption segment of writing & printing paper, the foremost and largest producer of quality newsprint.

2.2.2 Mission

The mission of the HNL is to operate large capacity integrated newsprint/ paper mills on sound commercial principles, continuously upgrade plant and equipment, upscale production output and enhance market share within the country and outside.

2.3 PLANT SITE

HNL is situated in a beautiful place named Vellore, in the vaikom thaluk of Kottayam district. The site is linked by road as well as rail. It is situating about 40 km from the metropolitan city of Kochi. The next nearest city is Kottayam. The nearest railway station is about 1 km from the site is ‘Piravom road’. The transportation facilities help the company to take the advantages in terms of proximity to raw material sources. The plant occupies
a total area of 282.87 ha on the bank of the river Muvattupuzha. A small township has been developed named as ‘Newsprint Nagar’.

HNL is the first mill in India to produce newsprint with eucalyptus wood. It has been performing very well since its beginning both in physical and financial terms. HNL has been achieving more than 100 percent capacity utilization while the industry average is below 60 percent. The company produces standard newsprint grades of 45GSM and 48.8 GSM of quality which is at par with best available in the market. It has a market share of about 16% of domestic newsprint. The paid up share capital of HNL stands at Rs. 825.4 million. The company has an installed capacity of 1,00,000 MT per annum. The company has always put key focus on demonstration and technological up gradations for efficiency improvements for control of cost and enhancement of quality.

HNL’s newsprint is preferred by major publishing houses in India. The major customers of HNL in India are the Hindu, The New Indian Express, Sanmarg, Ananda Bazaar patrika, Eenadu, Andhra Jyothi, Deccan Chonicle, Deccan Herald, Malayala Manorama, Mathruhumi, Deshabhimani, Mangalam, Madhyamam etc. HNL, also establishing its market in the outside countries like Sri Lanka and Malaysia. News print is used in the printing of newspapers, flyers, periodicals, text books etc.

2.4 RAW MATERIAL SOURCES

HNL meets a major portion of its requirement of fibrous raw materials from state government forest sources. The company also maintains captive plantations of about 4000ha of forest land leased from government of Kerala. The company has been encouraging pulp wood cultivation on agricultural land through ‘Farm Forestry Scheme’ in which seedlings of accacia, mangium etc., are distributed to farmers at subsidized rates. Through this initiative the company has remitted its resolve to encourage farmers in raising quality pulp wood species in home stead land in line with the agro-forestry initiatives and
community forestry projects envisaged in the national Forestry Policy, 1988. Besides ensuring a clean environment, this scheme makes the marginal and barren lands productive, providing an additional income for the farmer. The ‘Purchase at Gate’ Scheme launched in 1998 complements the Farm Forestry Scheme. As per this scheme, pulp wood raw materials are purchased directly from farmers of Kerala and neighboring states at a very remunerative price. At the company gate doing away with middle men and avoiding procedural delays. In line with the global shift towards recycled fiber in paper making, HNL operates a 100 tpd state-of-the-art de-inking Plant, to supplement its fiber requirements.

2.5 PRODUCTS

Hindustan Newsprint Limited used advanced technology to produce the newsprint paper. It provides a wide range of different grades of newsprint. Initially, it produced 52GSM (Grams per Square Meter) newsprint. In order to meet the changing market demands of lower GSM, it have changed its production to 48.8 GSM and 45GSM newsprint. HNL advanced the brightness levels of newsprint, when it had at the time of its commencement. The newsprint of HNL is of superior quality and comparable to world-class and occupies a major position in the domestic market. The quality of the product can be attained through efficient implementation of quality policy.

Newsprint of HNL has following characteristics;

1. Capacity to see through as the newsprint is printed on both sides.
2. Suitable to run with the modern high printing process without any break.
3. Brightness level at par with that of the imported newsprint.
4. Less bulky newspaper due to loco gram mage.
5. Capacity to absorb instantaneously the mineral oil vehicle presented in the printing ink to avoid burning of impression.

2.6 MAJOR ACHIEVEMENTS

HNL is credited with the record of full capacity utilization. The quality of the product is compared with the product available in the global market. The major achievements of the company are:

1. Selected as a Nodal Newsprint Mill by the Network for Industrial Environment Management for Asia-Pacific region.

2. Selected for Mini-Ratna category I status among the public sector enterprises.

3. Ranked fourth in the first Ever Green Rating for environmental and forestry performance among the pulp and paper industry units in the country.


5. Achieved Zero stock consecutively during the past four years.

2.7 RECOGNITION AND CERTIFICATIONS

The quality recognitions and certifications of HNL are discussed below:

1. 1998 - HNL became one of the first newsprint manufacturers in the country to achieve the coveted ISO-9002 certification.

2. 2000 - HNL is also certified to ISO 14001: 1996 in October 2000 for its Environment Management System.


4. 2003 - The EMS was recertified in 2003.
5. 2006- In April 2006 EMS system was further upgraded to ISO 14001:2004.


8. 2010- In November 2010, the QMS was further upgraded to ISO 9001:2008.

9. 2011 - EMS system was further upgraded to ISO 14001:2004 in November 2011.

**OHSAS 18001**

OHSAS is a British Standard for occupational health and safety management systems. It helps all kinds of organizations to follow noticeably sound occupational health and safety performance. It is the world’s most accepted occupational health and safety management systems standard. Environment, health and safety, ergonomics health, safety management, Public health and Safety engineering are issues relating to occupational health and safety.

**2.8 POLICIES**

For the successful performance of the organization the company framed many policies by considering various matters relating to the functioning of the organization.

**2.8.1 Labour policy**

HNL’s labour policy is fair and constant. The purpose of the policy is to develop an agreeable working relationship with the union, while retaining
their full management rights. The rationale behind the policy is consistency, credibility and fairness of union representatives and the workers who are in the union.

For the effectiveness of policy of the company HNL facilitates meeting of MD with union representatives, employees and HOD to share information, profit and losses, mutual evaluation of performance uprooting cause of even the slightest organizational unrest, raising suggestions, opinion, inventing way for improvement.

The management and unions of HNL adopt integrative bargaining tactic which is often used to increase the bargaining power. HNL maintains a healthy union grievance procedure to settle disputes regarding the interpretation of the labour contract.

As a public sector enterprise, HNL is also open to criticism. Management accepted and encourages the creative and constructive criticism evoked by the unions through their gate meetings, strikes, circulation and notices. Management tries their level best to provide better benefits and pay packages develop suitable promotion policies etc.

2.8.2 Environmental Policy

HNL an eco friendly organizational is committed to;

1. Avoid an exploitation approach towards nature and habited and adopting environment for creating conditions conductive to sustainable development.

2. Practice the creed conservation in woods for preparing the seed bed of a better world geared to meeting rather human agreed.

3. Be responsible and responsive corporate citizen through an endeavor to create safe harmonium and ecologically balanced environment for its members and the community at large.
4. Reduce progressively the use of natural resources like raw Material, water fuel and energy and reuses and recycle such resources whenever possible.

2.8.3 Energy Policy

1. Create awareness among all to conserve and energy and natural resources.
2. Optimize the ratio of grid to captive power.
3. Reduce specific energy consumption.
4. Enhance the efficiency of steam generation.

2.8.4 Quality Policy

HNL newsprint has an enviable position in the domestic newsprint market being comparable to the world class product standards. HNL is highly customer focused and cherished good relationship with them. Regular visits are made by HNL’s production manager to understand the customer demands. The production technology of HNL is mobilized to match exacting requirements of sophisticated high speed mechanisms.

2.8.5 Safety Policy

Management makes all possible efforts to minimizing accidents involving personal injury, environmental pollution etc.

2.9 AWARDS AND ACHIEVEMENT

2.9.1. MOU Excellence Award 2005-06

This is given only to the top ten Private Sector Enterprises, securing excellent rating. Hindustan Newsprint Limited was bestowed with the prestigious MoU Excellence Award for performance during the FY 2005-06. The Memorandum of Understanding (MoU) is a mutually negotiated agreement between the Public Sector Enterprises (PSEs) and the Government
of India. Under this agreement, a PSE undertakes to achieve the targets set out at the beginning of each financial year. The MoU covers both financial and non-financial parameters and the performance is measured on a weighted 5-point scale. The MoU award is given only to the top ten PSEs securing excellent rating.

2.9.2. Natural Energy Conservation Award 2005

Hindustan Newsprint Limited has been selected for the certificate of merit in the Pulp and Paper sector for the National Energy Conservation Awards, 2005.

2.9.3. State Pollution Control Board Award

Hindustan Newsprint Limited bagged the second prize for pollution control activities in the category of very large-scale industries, instituted by Kerala State Pollution Control Board for the year 2009. The award was a true recognition to the sustained efforts and commitment of HNL in preserving the environment.

HNL’s credential in pollutions control and in the piloting environment friendly methodology for newsprint production has been widely acknowledged. HNL has bagged the Kerala State Pollution Control awards in 1997-98, 1998-99, 1999-2000 till 2003, for the control measures and practices adopted in the null. Green rating exercise conducted in 1999 and 2001 for this paper mills in India by CSE, New Delhi has ranked HNL with ‘TWO LEAVES’ rating on both the occasions. The company also bagged the Kerala State Energy Conservation Award.

2.9.4. Kerala state Pollution Control Award 2010

Shri M.V.Narasimha Rao, Managing Director received the Kerala state pollution control Award 2010, for Large Heavy Industries on the World Environment Day.
2.9.5. Kerala state Pollution Control Award 2011

HNL received Kerala State Pollution Control Award by acquiring 2nd position among large scale industries.

2.9.6. Award for excellent implementation of official language policy/rules

HNL has been awarded with TOLIC, Kottayam, Official Language Trophy acquiring 2nd position in terms of excellent implementation of Official Language Policy/Rules of Government Of India for the year 2010-11.

HNL maintains a very cordial atmosphere in individual’s relations front. Employees related decisions are implemented with full co-operative of trade unions. Water supply, infrastructure development schemes for surrounding areas, communities health care seminars etc. are some of the major initiatives undertaken by HNL for the fulfillment of its obligation without remaining an island of prosperity.

2.10 KEY STRENGTHS OF HNL

1. HNL is the first mill to produce news print with eucalyptus. The company manufacturing quality newsprint for meeting the demands of the region and of the nation.

2. Locality of the plant takes the advantage of transportation with road, rail, air and water. All these facilities are available in the immediate vicinity of the plant.

3. Export news print in the world market and a competitor in the global market.

4. Raw material sources comprising subsidized wood from government of Kerala, captive plantation, farm forestry and Purchase at gate scheme.

5. Sources of water requirements from the perennial river at nominal costs.
6. Meeting all environment related norms and achieve the ISO 14001 certification for its EMS.

7. ISO 9002 certification for its quality Management System.

8. A profit making and dividend paying company for the last ten years.

9. A pool of skilled and experienced man power resources.

10. Good HRD department, cordial industrial relations without any specific closure on account of labour unrest.

2.11 MANAGEMENT AND ORGANIZATION STRUCTURE

Management of the company is vested in the hands of Board of Directors, including a chairman. The number of director should not be less than 2 and not more than 12. The Chairman and Managing Director of HPC shall be the chairman of the company and all other directors are appointed by HPC.

2.12 ORGANIZATION CHART

Fig. 2.12 Organization Chart
2.13 EMPLOYMENT STATUS

HNL has experienced and technically qualified employees. The employees are categorized under different categories viz., executives, supervisors and workmen. The company also has a good strength of contract labourers and casual labourers.

2.14 WORK SCHEDULE OF EMPLOYEES

The work is arranged on shift basis. Four shifts are arranged namely General shift, A, B, and C shift. The table given below explains the timing of each of the shifts.

<table>
<thead>
<tr>
<th>Table 2.1 Work scheduling of HNL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Name</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>General Shift</td>
</tr>
<tr>
<td>A shift</td>
</tr>
<tr>
<td>B shift</td>
</tr>
<tr>
<td>C shift</td>
</tr>
</tbody>
</table>

Source: Company Records

2.15 HUMAN RESOURCES DEPARTMENT (HRD)

Human Resources Department of HNL is known as HR& ES. HRD in HNL is headed by the HOD (HR&ES). HOD is assisted by Labour Welfare Officer in Deputy Manager Rank and four junior executives. The following chart depicts the hierarchy of HR& ES.
2.16 HRD FUNCTIONS

The industrial relations machinery during the Vedic terms consisted of madhya masi (mediate): a man of positions is influence in the society. Every effort was made to improve the mutual relations between capital and labour.

HNL believes that good HRM facilitates better industrial relations. Trust plays an effective and positive role within the organizations. It is observed that well-trained and educated employees bring forth enriching encouragement of mutual co-operation and sincere relationships. HRD functions at HNL is being centered on two major areas within the restricted area of legal frame work and functions which overwhelms this legal restrictions cling on social responsibility and natural rigid legal workforce frame work and results in creating strong and sound relations.

2.17 SECTIONS UNDER HRD

Personal section

Personal section deals with selection, placement, confidential records, promotion, communications, transfer, retirement, retrenchment, designation, dismissal and the like. Two subsections: they have to deal with the matters of workers and the other with the files of supervisory, executives and management. Individual files are kept for each employee and all other data pertaining to the employees are carefully stayed.
Industrial relations

Deputy General Manager (P&A) and Deputy Manager IR are in charge of the industrial relations. The plant welfare officers numbering five, who are posted in the departments, constantly appraise the industrial relations of the day to day situations. Usually a plant welfare officer looks after the human factor in the area that consists of two or three departments, plants/officers. Minor differences or issues are solved then and there at the shop floor level. There are situations though rare that the issues are taken out of the tables in HNL, even then the issues are solved at negotiations in the presence of DLO (District Labour Officer), RJLC (Regional Joint Labour Commissioner) or LC (Labour Commissioner) of the state or by the intersections labour minister or industrial minister of the state.

Industrial unrest is very low in HNL due to the following schemes implemented as the result of the negotiations between management and unions. They are Performance Based Payment Scheme, Performance Related payment Scheme and Disengagement scheme.

2.18 HRD MISSION

“To promote and inculcate value based culture utilizing the fullest potential of HR for achieving the organizational goals”. Main functions of HRD are Training and Development. The training is provided for the employees as well as the apprentices, in addition to this the project trainers are also attached to the department. Training programme conducted on a variety of subjects including leadership development, safety communication, states planning for retirement etc.

Types of Training

1. In house training
2. Sponsored training
3. Induction training
4. Apprentice training

5. Project training

The HRD is the process of developing knowledge, skill and talents. Training is to be imparted on the basis of a need base plan.

2.19 EMPLOYEE SERVICE

This Section look after an employee welfare, the department has eleven section, times office, establishment, labour welfares, administrative, industrial relations, public relations, legal, medical, township administration, security and transportation. Even though HRM tries to bring any acceptable culture and transactions at the organization level (peripheral and something more) the parties involved in the transactions have their own vested, deep rooted and never compromising interests in the department of their soul, which can never get along with the other parties ideologies and practices. It is an unavoidable evil that persists in every human transaction either in individual interpersonal organizational or national level. Like it or not, every workplace is a political environment but operating effectively.

2.20 MANAGEMENT AND TRADE UNION

HNL’s management adopts a union Acceptance Strategy. Management chooses to view the union as its employee’s legitimate representatives and accepts collective bargaining as an appropriate mechanism for establishing workplace rules. Management tries to obtain the best possible labour contact with the unions and then govern employees according to contract’s terms.

2.21 RECRUITMENT OF EMPLOYEES

1. Direct recruitment

2. Deputation from government departments and other public sector undertakings

3. Promotion
2.22 **PROMOTION**

All promotion made in accordance with promotion policy. Promotion is on the basis of the following principles;

1. Merit
2. Efficiency
3. Past performance
4. Attendance, conduct, performance appraisal, qualification and experience are the factors considered for promotion.

2.23 **PAY AND ALLOWANCES**

The pay structure includes basic pay plus DA, HRA and fitness benefit. Annual increment is provided @ 3% of salary. Other benefits includes shift allowance, washing allowance, education allowance, special allowance for physically handicapped, overtime allowance uniform allowance, medical benefits, family planning allowance, group insurance, festival advance, conveyance allowance, PF, gratuity, death relief fund, training and development fund, pension scheme etc.

2.24 **NON-MONETARY INCENTIVES**

Employees are provided with non monetary incentives to recognize their good achievements. The various kinds of incentives are running shield/trophy, merit certificate, publication of names along with photograph of winners in the notice board and journal, giving facilities to visit places on the basis of their interest etc.

2.25 **EMPLOYEE PARTICIPATION IN MANAGEMENT**

Various committees are formed for giving participation of employees such as works committee, grievance committee, shop councils, and plant councils continued to function successfully. Suggestions of these committees are considered for future functioning.
2.26  EMPLOYEE WELFARE MEASURES

Various welfare measures are provided to the employees and their dependents with more emphasis is given to health and safety. “In the words of Labour Committee, labour welfare is “anything done for the intellectual, physical, moral and economic betterment of the workers, whether by employers, by the government or other agencies over and above what is laid down by law or what is normally expected of the contractual benefits for which workers may have bargained”.

The labour welfare of HNL aims at providing such services, facilities and amenities as would enable the worker employed in the firm to perform their work in healthy, congenial surroundings conducive to good health and high morale. It is partly humanistic and partly economic. The labour officer is appointed as per the Factories Act. Duties, qualifications and conditions are to be prescribed by the state government Sec.49 (2).

Welfare measure provide by the company includes canteen, washing, bathing, drinking water facilities, rest room, dining room first aid box, welfare fund by state and by the company, township an quarters, co-operative bank, education facilities recreational facilities, family welfare scheme, gifts, holiday homes, funeral benefits etc.

2.27  HRD - THE FACILITATOR OF BETTER ORGANIZATIONAL RELATIONS

Due to global competition, HNL always tries to keep the organization, learn, keen and preferential in their outlook, approaches and practices. The features of globalization and its unavoidable consequences such as reformed strategic management concepts and practices denationalization and heightened competition impose heavy pressure on organization to be perfect in their business administration and transactions to sustain in the forefront of business operations there by adding memorable smile of achievements and remarking their business scenario.
Global business environment and its implementations are being referred on HNL through business diversification projects (initially invest on other paper related materials), amalgamation of cost effective, economically valuable and technically feasible projects almost helps in the generation of low cost raw materials and assists in the key production, developing our energy resources facilitating modernization of machinery outsourcing activities controlling workers and optimally utilizing the existing manpower resources in its maximum possible extend. HNL is the first public sector to adopt and integrate PRPS.

HNL makes limited intakes of personnel to make sure that the existing manpower is being used optimally. Global business scenario has necessitated HNL to search for internalize, nature and maintain multi skilled, technically qualified and managerially oriented work force to carryout operations. The workers and trade unions are well informed and educated about the ever changing and challenging conditions prevailing in the external business environment and the necessity of changing to make the firm living forever. The healthy perceptive throughout understanding and welcoming attitude of workers and trade unions is a sign of alternative, constructive and encouraging side of organizational relationship.

2.28 SOCIAL RESPONSIBILITY

HNL fraternity is aware and alive to the issue of the people living in the periphery of them mills. It is a co-ordinate and harmonized effort of management, employee and trade unions, by having an empathetic concern towards the necessities of the HNL fraternity. The non-statutory welfare programs have a deep rooted inclination on the workers, cause it crop up the feeling of care and concern that the firm bestow towards the workers us the margin of its periphery. Hence, adequate timely and appropriate welfare measures call for better empathetic relations and colour a win-win situations. It is the pride that HNL fraternity holds sin their rich tradition, which is being
exhausted in their creed through their notable deeds. Water supply, Infrastructure development scheme for surrounding areas, communication health care services, unpaid training to ITI completed students of the area etc to fulfill its obligations.

2.29 TRADE UNIONS

HNL has three recognized employee trade unions. Every year a ‘Referendum’, is conducted to identify the unions that deserve recognition by the management. The minimum number of vote for qualification is 20% of the total vote polled. For the last few years HNL Employee Union, HNL Employees Association (INTUC-1) and HNL Employees Association (INTUC-A) and CITU are the recognized unions and therefore they act as bargaining agents. Employee related decisions are taken and implemented with the full co-operation of trade unions.

2.30 CONCLUSION

The newsprint market in India is characterized with huge demand and high growth rate. The capacity of Indian paper mills is insufficient to meet the demand of the nation. About 50% of the demand is met by way of import of newsprint. Thus, in order to meet the demand, providing quality newsprint as per customers’ requirements at a competitive price becomes a serious issue. The National Youth Readership study in 2009 discloses the fact that nearly 24% of the household have newspaper subscription, four out of every seven households of graduates and three of every eight urban households with literates buy a newspaper, despite television being the most popular source of information followed by newspapers the later, cored over television for news and current affairs information source and literacy increased from 64.83% in 2001 to 74.04% in 2011, as per census 2011. These factors make influence over the Indian newsprint market.
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