

35<sup>TH</sup>  
ANNUAL REPORT  
2014-2015

Future is nurtured  
on a piece of paper!

Tamil Nadu Newsprint and Papers Limited



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## COMPANY INFORMATION

### BOARD OF DIRECTORS

Thiru C V Sankar IAS	Chairman & Managing Director
Thiru T Udhayachandran IAS	Director
Thiru Mahesan Kasirajan IAS	Director
Thiru A Velliangiri	Deputy Managing Director
Thiru R Mani	Director (Operations)
Thiru V Narayanan	Director
Thiru N Kumaravelu	Director
Thiru M R Kumar	Director
Thiru V Nagappan	Director
Tmt Sarada Jagan	Director

### COMPLIANCE OFFICER

Thiru V Sivakumar	Company Secretary
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REGISTERED OFFICE: 67, Mount Road, Guindy,  
Chennai – 600 032.

FACTORY: Kagithapuram – 639 136,  
Karur District, Tamil Nadu.

### STATUTORY AUDITORS:

M/s Raman Associate,  
Chartered Accountants,  
H.O.: 13, Luz Avenue,  
Mylapore, Chennai – 600 004.

### COST AUDITORS:

M/s Raman & Associates,  
10, Muthukumarasamy Salai,  
Off. 1st Main Road, Baby Nagar,  
Velachery, Chennai – 600 042.

### SECRETARIAL AUDITORS:

M/s R Sridharan & Associates,  
Company Secretaries in Practice,  
New No.5, Old No.12,  
Sivasailam Street,  
T.Nagar, Chennai - 600 017.

### REGISTRAR AND SHARE TRANSFER AGENT:

M/s Cameo Corporate Services Ltd.  
V Floor, “Subramanian Building”,  
No.1 Club House Road,  
Chennai – 600 002.

### BANKERS:

Canara Bank  
DBS Bank Ltd.  
HDFC Bank Ltd.  
Indian Bank  
Oriental Bank of Commerce  
Punjab and Sind Bank  
State Bank of India  
State Bank of Patiala  
State Bank of Travancore  
Syndicate Bank  
The Hongkong and Shanghai Banking  
Corporation Ltd.  
The Karur Vysya Bank Ltd.  
Union Bank of India

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## FINANCIAL HIGHLIGHTS - 10 YEARS AT A GLANCE

DESCRIPTION	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	REVENUE: (Rs. in lakhs)									
Sales & Other Income	80141	88040	96965	110030	107362	122504	153899	188118	230195	215237
PBIDT	18768	21455	26266	30792	31980	36274	43543	42207	52320	52236
Interest	1864	2052	2391	4927	4618	4424	14127	12097	12821	15493
Profit Before Tax	10147	12503	16306	15785	15806	19514	12511	12611	20268	23013
Tax	2092	3897	5023	5047	3200	4615	1617	3463	4150	6340
Profit After Tax	8055	8606	11283	10738	12606	14899	10894	9148	16118	16673
	BALANCE SHEET: (Rs. in lakhs)									
Net Fixed Assets	81726	117782	128351	148396	209659	229342	248678	254101	252819	304083
Investments	114	114	1715	114	1140	114	114	114	114	114
Captive Plantation	198	289	304	504	962	1319	1795	2121	2121	1632
Net Other Assets	16464	10670	7699	20048	25993	34575	46836 <sup>*</sup>	26279 <sup>*</sup>	38718 <sup>*</sup>	56860 <sup>*</sup>
Total Capital Employed	98502	128855	138069	169062	237754	265350	297423	282615	293772	362689
Shareholders Fund	52212	57631	63990	66432	80450	91579	97068	103547	114597	120164
Borrowings	30814	55940	55244	80645	136291	148810	173379 <sup>*</sup>	150022 <sup>*</sup>	147511 <sup>*</sup>	206566 <sup>*</sup>
Deferred Tax Liability	15476	15284	18835	21985	21013	24961	26976	29046	31664	35959
Total	98502	128855	138069	169062	237754	265350	297423	282615	293772	362689
Book Value Per Share (Rs.)	75.44	83.27	92.46	95.99	116.24	132.32	140.25	149.61	165.58	173.62
EPS (Rs.)	11.66	12.43	16.30	15.52	18.21	21.53	15.74	13.22	23.29	24.09
Dividend (%)	30.00	40.00	45.00	45.00	45.00	50.00	50.00	50.00	60.00	60.00
Debt (LTL) to equity	0.42	0.84	0.62	0.88	1.19	1.17	1.21	0.97	0.89	1.32

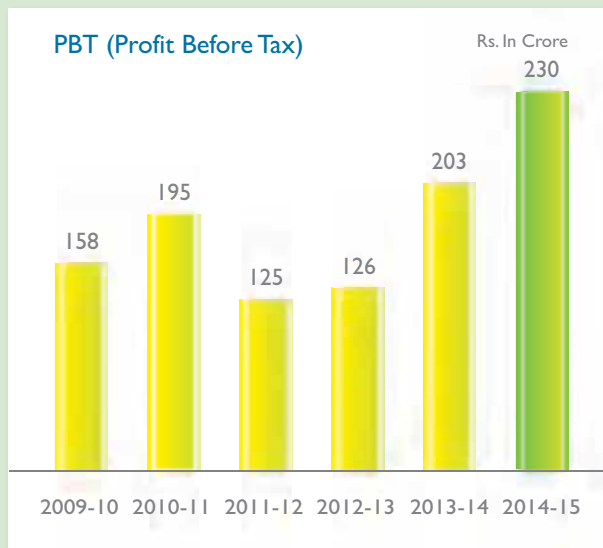
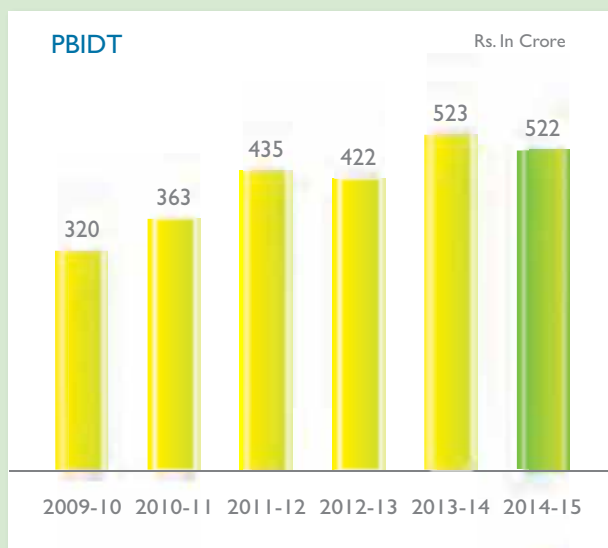
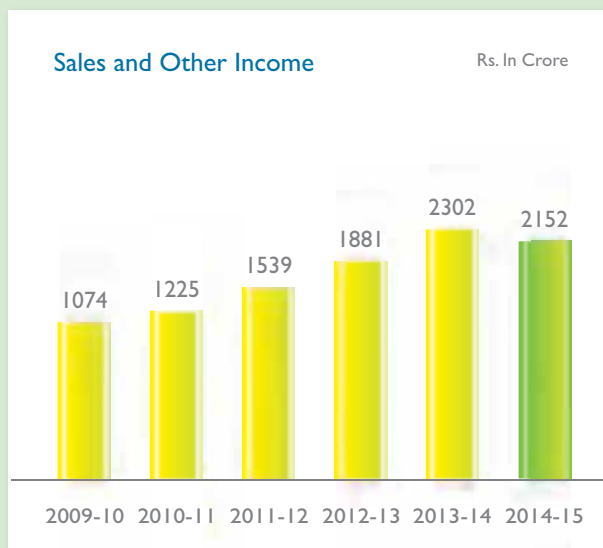
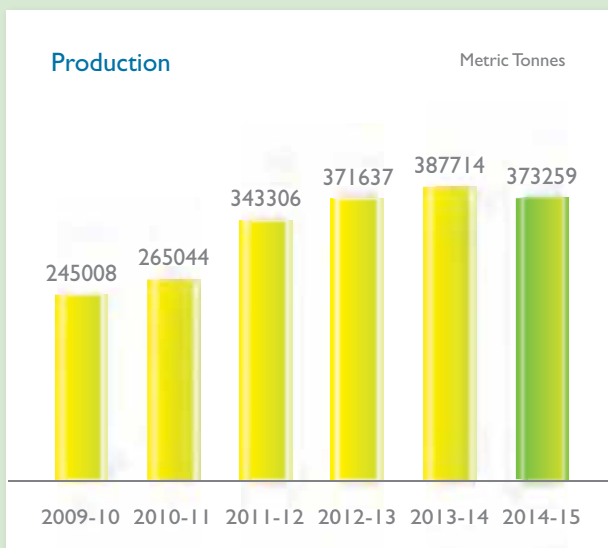
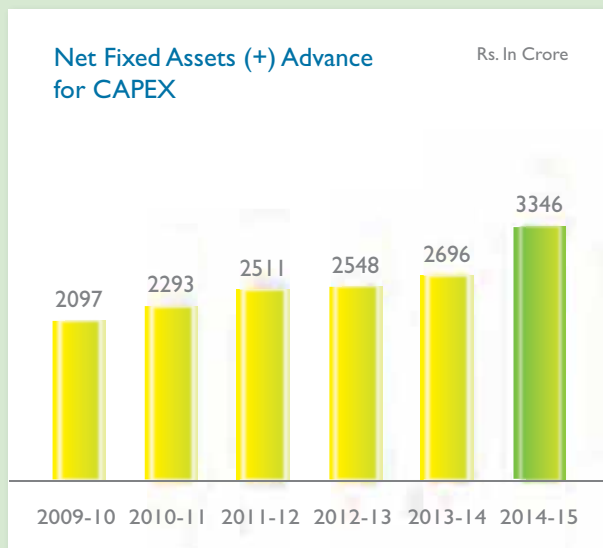
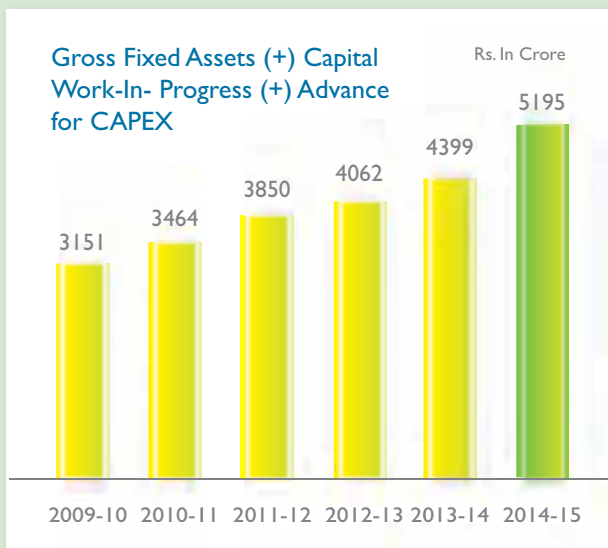
<sup>\*</sup> Regrouped as per pre-revised Schedule VI for the purpose of comparison only.

## ACHIEVEMENTS 2014 -15

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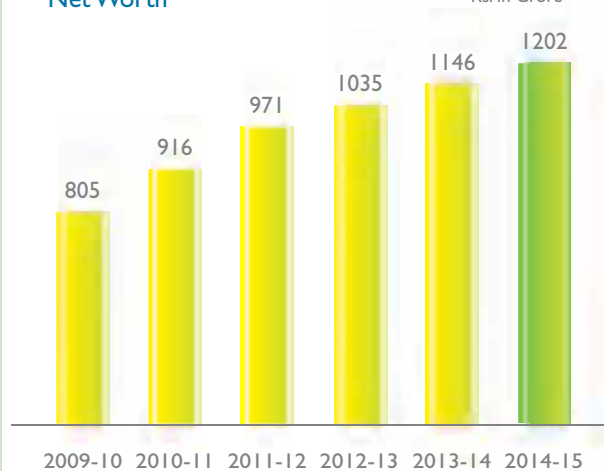
- Sales crossed Rs.2000 crore for the second consecutive year in the Company's history.
  - Profit Before Tax of Rs.230.13 crore was an all time record.
  - Profit After Tax of Rs.166.73 Crore exceeded the PAT achieved in 2013-14 by Rs. 5.60 Crore.
  - Export sales leaped from 65875 Mts. to 72815 Mts.
  - Substantial progress has been made in the execution of the Multilayer Double Coated Board Plant to increase capacity from 4,00,000 tpa to 6,00,000 tpa. The project is likely to be completed by December 2015.
  - De-inked Pulp Production was 32792 Mts. against 29185 Mts in the previous year higher by 3607 Mts.
  - Cumulatively 1,05,968 acres of land have been brought under Company's Farm Forestry and Captive Plantations schemes, benefitting 20,218 farmers in 29 districts of Tamilnadu.
  - Cement production increased to 161910 tons, against 113904 tons in the previous year. TNPL is the First and only Company in the Paper industry to have established the facility for producing high grade cement from mill waste (Lime sludge & fly ash).
  - 6208.84 lakh units of power were generated. 5841.57 lakh units were consumed. 367.27 lakh units were exported to the state grid. Power drawn from State Grid constitutes only 1.52% of total power consumed.
  - Received 127588 Renewable Energy Certificates (REC) for power generated from the steam produced in the Recovery Boiler. 48200 RECs were sold during the year yielding revenue of Rs. 7.12 crores
  - The company repaid on schedule Term Loans amounting to Rs.359.89 crores.
  - Launched a new "Eco-friendly" product during the year under the brand name "GreenPal". This paper is produced from Bagasse and recycled fibres. No tree is cut for production of this product, thus making it a totally environmental friendly product.
  - Upgradation of cement production capacity set up as part of Lime Sludge and Fly ash Management from 600 tpd to 900 tpd. The Project is expected to be completed by December 2015.
  - Setting up a Centre for Conversion of Paper and Packing Board (CCPPB) by acquiring 38.40 acres of land with an Industrial shed measuring 11,248 Sq.Mts at Mayanur in Karur district for paper conversion centre and units related to paper industry. This project is expected to be completed by December 2015.
  - Dun & Bradstreet, Mumbai, has selected TNPL as the **Top Indian Company under the sector Paper for Dun & Bradstreet Corporate Awards 2015, fourth time in a row.**
  - Confederation of Indian Industry(CII) in its **15th National Award for Excellence in Energy Management 2014**, has selected TNPL as one of the 49 companies for the 'Excellent Energy Efficient Unit' Award.
  - The Company has received **"IPMA Paper Mill of the year Award" for the year 2013-14** from Indian Paper Manufacturers' Association (IPMA). **The company has received the above award fourth time.**
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## Consistent Growth



### Net Worth

Rs. In Crore

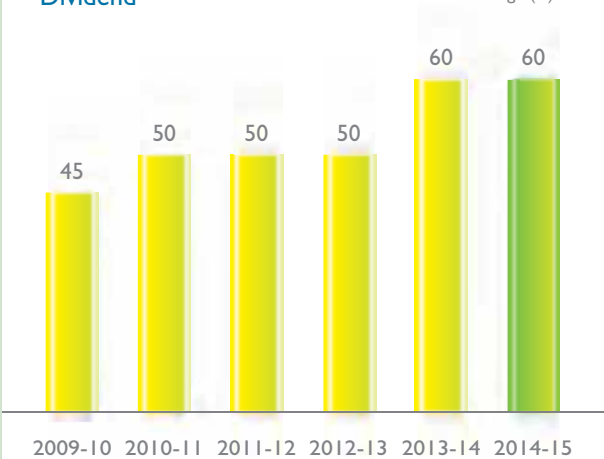


### Long term Debt Equity Ratio



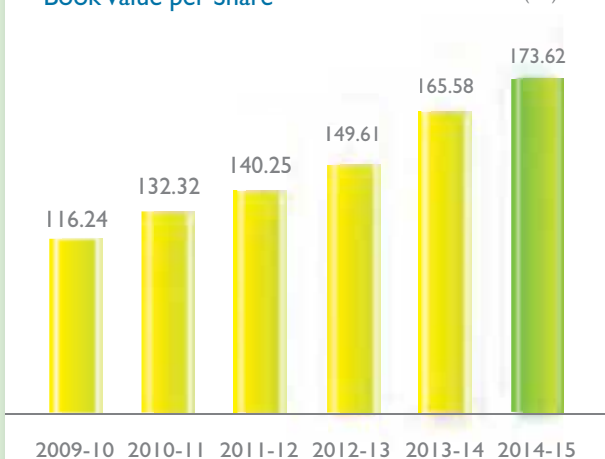
### Dividend

Percentage (%)



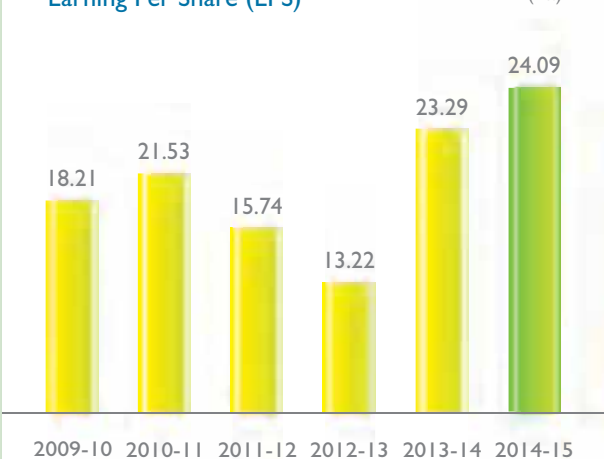
### Book Value per Share

(Rs.)



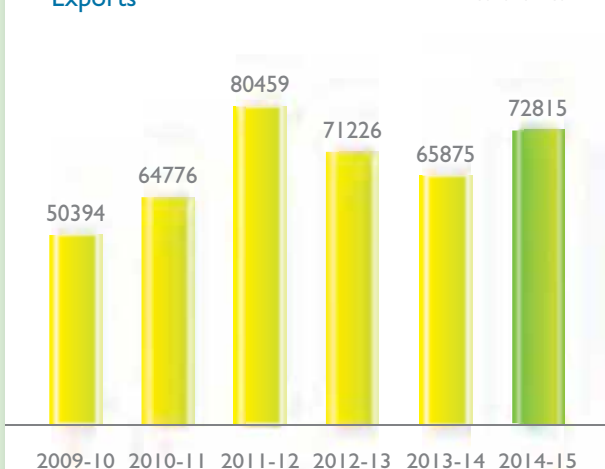
### Earning Per Share (EPS)

(Rs.)



### Exports

Metric Tonnes



## Nurturing New Horizons

TNPL is an acknowledged leader in the technology of manufacture of paper from bagasse – the sugar cane residue. Started with an initial capacity of 90,000 MT per annum on a single Paper Machine, the Mill doubled the capacity to 1,80,000 tonnes per annum in the year 1995 by addition of one more Paper Machine. Both the paper machines were upgraded in 2002 to enhance the capacity to 2,30,000 tonnes per annum. Under the Mill Development Plan (MDP) completed during May 2008, the pulp production capacity was increased from 520 tpd to 720 tpd with Elemental Chlorine Free (ECF) bleaching. Along with this, the Paper Machines capacity was increased to 2,45,000 tonnes. In 2011, TNPL installed a new state-of-the-art paper machine with an annual capacity of 1,55,000 MT, raising the mill's production capacity to 4,00,000 MT per annum.

Subsequent to increase in the production capacity to 4,00,000 tonnes per annum,

TNPL has set up a 300tpd deinked pulp plant, revamped the steam and power system, increased the captive power plant capacity to 103.62 MW and set up a 600 tpd cement plant to produce high grade cement using mill waste materials namely Lime sludge & Fly ash. Currently the cement plant capacity is being enhanced to 900 tpd. The project will be completed by December 2015.

For further growth, the company examined various options and finally chose the thought of a green field option of setting up a 2,00,000 tonnes Multi layer Coated Board Plant in a new location.

TNPL took up implementation of 2,00,000 MT per annum Multilayer Coated Paper Board machine (BM 4), along with a 30 MW co-generation power plant. The project implementation works were commenced in February 2014 targeting commissioning of the entire plant by December 2015. The civil works were started on April 2014. The special

feature of the BM4 will be its Tandem Shoe Press with gentle and high dewatering capacity, to manufacture paper board with good bulk, better smoothness and high strength with two coats on top and one coat on the bottom surface of the board. The Board machine will be entirely controlled by the latest Distributed Control System and Quality control systems. TNPL will manufacture premium grade paper board in the substance range of 170 to 450 gsm. The project will feature a state-of-the-art Automatic Storage and Retrieval System (ASRS) with a capacity of 30,000 MT Reels and 6,000 MT Sheets. The power plant will be equipped with high efficient boilers operating with atmospheric fluidised combustion technology with Air Cooled Condenser (ACC).

Total capacity will increase to 6,00,000 tonnes per annum with the state-of-the-art technology from Financial Year 2016-17.



Panoramic view of the Board Plant under Construction





New Board Machine being installed in Mondipatti Village, Manaparai Taluk, Trichy District:  
(1) Wire Section (2) Dryer Section (3) MG Cylinder

## Nurturing the Environment

TNPL believes that the environment and associated natural capitals must be protected and used in a sustainable way to cater the today's demand as well as the needs of future generations.

TNPL is committed to:

- Produce Eco-friendly quality paper adopting environment friendly 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.

### Resource Conservation

The mill has used 785755 MT of depithed bagasse during the year as primary raw material for manufacture of paper. Utilization of bagasse as fibrous raw material has conserved about 6.6 lakhs MT of wood in the year 2014-15.

TNPL is committed to procure pulp wood only from the responsible known sources. TNPL's own farm forestry and captive plantation programs are covered by FSC (Forest Management Certification) which guarantees that the wood used for the production of paper come from the plantations which are

managed in a socially and environmentally responsible way. FSC product label guarantee the customer that the product they buy comes from sustainable sources.

TNPL has launched a new "Eco-friendly" product during September 2014 under a new brand name "GreenPal" produced using only Bagasse and recycled fibres. No tree is cut down for production of this product, thus making it a totally environmental friendly product.

TNPL has installed and commissioned a state-of-the-art de-inking plant of a capacity of 300 tonnes per day during 2013 to produce pulp from waste paper. The deinked pulp produced in 2014-15 has resulted in conservation of 1.4 lakh tons of virgin wood. The mill has implemented various water conservation

projects and has reduced water consumption to 51KL Per ton of paper during 2014 -2015 which is one of the lowest in paper industry.

### Waste to wealth

TNPL stepped into an innovative way of making cement from inorganic solid wastes generated from chemical recovery cycle and fly ash from power boilers. Every day, about 200 tonnes lime sludge and 100 tonnes fly ash from the power boilers are converted into high grade cement which is first of its kind in pulp and paper industry. During 2014-15, 50,000 MT of lime sludge from Recausticizing unit was utilized for Cement Manufacturing resulting in conservation of about 57000 MT of lime stone from natural resources.

### Climate Change and sustainability

Towards greening the surrounding areas, the company has planted about 15,000 trees during 2014-15 and also maintaining of about 3.25 lakh trees in and around the mill. TNPL has generated wind power 469.20 lakh units which resulted in reduction of about 43683 MT of CO<sub>2</sub> equivalent in 2014-15. Similarly, treatment of bagasse wash water through the two bio-methanation plants had reduced 120776 MT of CO<sub>2</sub> equivalent in 2014-15.

### Recognition for environmental protection

TNPL has successfully completed feasibility study on "Green-co" Rating conducted by CII, Hyderabad during Nov '2014. Main assessment for the ratings will take place during 2015-16.







(1) Tree planting programme at Panchayat union primary school, Mondipatti (2) Tree planting at TNPL Matric Hr. Sec School



## Nurturing the Planet

To improve the availability of pulpwood at a reasonable cost, TNPL has developed two flagship plantation programmes i.e., Farm Forestry & Captive Plantation during 2004-05 with buy-back guarantee and supplying high-yielding seedlings & clones to farmers at subsidized rates.

TNPL has formulated and implemented a systematic model to raise pulpwood plantations i.e., Cluster approach from 2013-14. This model helps TNPL in monitoring the plantation activities more effectively and developing a good rapport with farmers for sustained supply of raw materials. TNPL added 5,783 acres of plantations during this year out of which 75% of area is within clusters. The total plantations raised by TNPL as on March 31, 2015 stand at 1,05,968 acres involving 20,218 farmers.

The TNPL plantations programmes started to reap its benefit from 2009-10. Even under troubled market condition with high competition among the pulpwood traders, about 73,533 MT of pulpwood was procured from plantation sources during current year and in total about 7.42 lakhs of MT of pulpwood in last 5 years.

Plantation development programmes need a strong and well-designed infrastructure facilities to achieve the success. In line with this, TNPL has established India's largest centralized clonal production unit at Kagithapuram. In this research centre, TNPL has introduced a unique technique, first time in the country, called mini clonal hedge gardens to produce clonal plants with minimum area of mother plants without rooting hormones. During current year about 121.67 lakhs qual-

ity plants were produced and 112.39 lakhs plants issued to the farmers at subsidized price. The species wise details are as follows:

Variety	Achievement in Lakhs	
	Production	Supply
Eucalyptus Clone	78.31	69.77
Casuarina - Clone	8.43	8.09
Eucalyptus Seedling	11.41	11.21
Casuarina Seedling	22.89	22.75
Others species	0.63	0.57
<b>Total</b>	<b>121.67</b>	<b>112.39</b>

To strengthen the Research & Development activities TNPL has started a separate Forestry R&D wing. The tree breeding activities such as selection and screening of plus trees, mass multiplication and field trial establishment, etc., is undertaken by the Forestry R&D wing. TNPL has established adequate research linkage with various research institutes.







1) A well maintained Farm Forestry plantation-Casuarina 2) Agro Forestry-Melia with Blackgram 3) A well maintained Melia plantation 4) Agro Forestry-Casuarina with Groundnut



## Nurturing the Society

As the Companies Act, 2013 mandates every company having net worth of Rs.500 cr. or more or turnover of Rs.1000 cr. or more or a net profit of Rs.5 cr. or more during any financial year, to constitute a CSR Committee of the Board, the Company has constituted a CSR Committee with the Independent Directors as its Members and the Chairman of the Audit Committee as the Chairman of CSR Committee.

The CSR Committee has approved an overall expenditure of Rs.373 lakhs for CSR activities for the financial year of

2014-15. In line with the recommendation of the CSR Committee for an expenditure of Rs.373 lakhs towards CSR activities during 2014-15, the company has spent about Rs.372.57 lakhs from April 2014 to March 2015.

The amount has been spent under 5 broader heads viz., Education, Health care, Socio-Economic Development and Security, Environment and Culture and Heritage. The CSR expenditure is in excess of 2% of average net profit of the previous three years.

In every financial year, at least two percent of the average net profit of the company made during three immediately preceding financial years is being allocated to undertake CSR activities. Accordingly, the total profit before tax for the immediately preceding previous three years viz., 2012-2013, 2013-2014 and 2014-2015 comes to Rs. 558.91 crores. The average profit per annum works out to Rs. 186.30 cr. 2% of average profit comes to Rs. 373 lakhs and this amount will be spent for CSR activities for the year 2015-2016.





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1) State Level Ball Badminton Tournament 2) Cattle Care Camp 3) State Level Ball Badminton Tournament 4) Handmade Board making machine to central prisons of Trichy and Madurai 5) Talent Expo 2014 6) Eye Screening Camp



## Nurturing the Products

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.

### **TNPL Pigmented Paper**

A premium, light-weight coated product that is ideal for high end multi-colour offset and gravure printing. Highest degree of uniformity and almost zero two-sidedness. Ideal for brochures, catalogues, printing of books, etc. Available in gsm range of 57 gsm to 130 gsm.

### **TNPL Print Fine**

A premium uncoated paper with highest degree of uniformity and almost zero two-sidedness and superior smoothness. Ideal for high-end printing of diaries, calendars, annual reports, brochures, catalogues, etc. and also for other multi-colour, high resolution, high speed web and sheet-fed offset printing. Available in gsm range of 54 gsm to 120 gsm.

### **TNPL Radiant Print (Platinum)**

Most preferred uncoated paper with highest degree of uniformity and almost zero two-sidedness. Ideal for high-end printing of diaries, calendars, annual reports, brochures, catalogues, premium grade notebooks, etc. and also for other multi-colour, high resolution, high speed web and sheet-fed offset printing. Available in gsm range of 54 gsm to 120 gsm.

### **TNPL Superprint Maplitho**

Its smooth surface and excellent finish

ensures unmatched print evenness. Consumes less ink and has a high degree of runnability. Available in gsm range of 52 gsm to 120 gsm.

### **TNPL Elegant Printing**

A favourite where end-users prefer a bluish tint in the paper. Available in gsm range of 56 gsm to 120 gsm.

### **TNPL Radiant Print**

An uncoated surface sized paper which is ideal for high speed commercial printing. Used across all end-user segments. Available in gsm range of 54 gsm to 120 gsm.

### **TNPL Ace Marvel**

Non-surface sized paper that is primarily used as base paper for regular coating and also for Thermal and Carbonless Coating. Available in the gsm range of 42 gsm to 120 gsm.

### **TNPL Eco Maplitho**

If you are looking for a traditional non-surface sized product that portrays the TNPL stamp of quality, your search ends here. Ideal for notebooks, examination papers, continuous stationery, etc. Available in gsm range of 47 gsm to 120 gsm.

### **TNPL Copier Paper (Platinum)**

A widely acclaimed complaint and hassle free Photocopy Paper with optimised fibre orientation and high dimensional stability. Available in 70, 75 and 80 gsm.

### **TNPL Copy Crown**

A widely acclaimed Photocopy Paper in the International Market. Has better brightness and higher opacity. Available in 75 and 80 gsm in A4 and AA4 Size.

### **TNPL Ezee Write**

Ready-to-use, plain surface-sized paper in 56 gsm which is marketed in the size of 33.5 x 42.0 cm.

### **TNPL Printer's Choice**

Surface-sized paper for publishing and printing industry. Supplied in commercial offset printing size of 45.5 cm x 58.5 cm in 60 gsm.

### **TNPL Centum**

Ready-to-use, plain and ruled, surface-sized paper in 54 gsm in size of 31.5 cm x 39.0 cm. Used as examination papers and for other general uses.

### **TNPL GreenPal Notebooks**

GreenPal Notebooks are made from 100% Bagasse and Recycled Pulp, ensuring that not a single tree was cut in the production of the paper for these notebooks. A wide range of these notebooks is also marketed online through our website [www.tnplgreenpal.in](http://www.tnplgreenpal.in). These can be bought online using Debit/Credit Cards and will be couriered, without any additional charge, to the delivery address given, across all five States in South India and Union Territory of Puducherry.



INTRODUCING



**Green Pal**™

NO TREES WERE CUT  
IN THE MAKING OF  
THIS PAPER.




## Nurturing the Energy Efficiency and Energy Management

Pulp and Paper Industry is Energy intensive and the Energy cost is around 20% of its Manufacturing cost. TNPL has been taking constant efforts to reduce carbon footprint. TNPL consumes bio-fuel and bio-gas to a larger extent. The Consumption of bio-fuel and bio-gas accounts for 40.1% of the total Energy consumed during 2014-15.

Agro/ Internally generated waste Fuels Utilised	2014-15	2013-14
Agro fuel	1062	380
Pith	160648	87053
Wood Dust	7990	9078
BL Solids	450952	475281
Bio Methanation gas ('000 M <sup>3</sup> )	9145	9611

Company is operating two bio-methanation plants to treat high organic waste water from bagasse handling and



storage system and to generate biogas under waste to energy concept. The Biogas generated is utilized in the lime kiln to replace furnace oil. The biogas generation during 2014-15 was 91.71 Lakh M<sup>3</sup> against 96.64 Lakh M<sup>3</sup> in the previous year. The Methane gas generated was used in lime kiln as fuel to replace 5378 KL of furnace oil during 2014-15.

TNPL is availing the benefit of Renewable Energy Certificate (REC) for its 20 MW power generation from TG 5 operated through Recovery Boiler steam by

executing necessary modifications in the steam system and metering arrangement since January 2012. TNPL is the first mill in the Indian paper industries to have availed this facility. 1,27,588 Nos. of RECs were obtained and 48,200 Nos. of RECs were sold in the exchange during the FY 2014-15. (1,28,043 Nos. of RECs were obtained and 66,854 Nos. of RECs were sold in the exchange during the FY 2013-14). The balance has been carried over to FY 2015-16.

TNPL is self sufficient in power. TNPL has produced 6208.84 lakh kwh captive power and 469.20 lakh kwh wind power during FY 2014-15. (Previous year captive power was 5650.80 lakh kwh and wind power 522.07 lakh kwh). TNPL has Exported 367.27 lakh kwh of power from CPP and 453.54 lakh kwh wind power during FY 2014-15 (previous year captive power was 118.74 and wind power 336.92 lakh kwh).

As per the "Perform Achieve and Trade" (PAT) scheme, under National Mission of Enhanced Energy Efficiency (NMEEE), TNPL being a designated consumer has to reduce its specific energy consumption (SEC) from the notified value of 0.572 MTOE to 0.550 MTOE in the first PAT cycle ending 31st March 2015. By taking adequate measures, TNPL has overachieved its

target with a SEC of 0.530 (after normalisation) and became eligible to get 4969.22 number of Energy Saving Certificates (ESCerts), a tradable instrument in the power exchanges.



TNPL, for the third consecutive year, has obtained the Excellent Energy Efficient Unit award for the year 2014 from Confederation of Indian Industry (CII). During the FY 2014-15, TNPL has saved 10,40,000 units of Power, 8497.60 MT of Imported coal and 120 KL of furnace oil by implementing various Energy saving projects.

TNPL has installed the first wind Farm of 15 MW capacity during 1993-94 at Devarkulam perungudi, Tirunelveli District. Since then the company has increased the wind farm capacity to 35.5 MW in stages. Presently, the wind farm power is being sold to the grid with a small quantum of wheeling towards the energy consumed at the corporate office.



Year of Installation	Capacity
1993-94	15.00 MW
2000-01	3.00 MW
2003-04	3.75 MW
2005-06	6.25 MW
2006-07	7.50 MW
<b>Total</b>	<b>35.50 MW</b>

**NOTICE**

NOTICE is hereby given that the Thirty Fifth Annual General Meeting (AGM) of the Members of Tamil Nadu Newsprint and Papers Limited will be held on Friday, the 18<sup>th</sup> September, 2015 at 10.15 a.m. at the Music Academy Main Hall, 168 T T K Road , Alwarpet, Chennai 600 014 to transact the following business :

**ORDINARY BUSINESS**

1. To receive, consider and adopt the audited Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2015, the Balance Sheet as at that date and Reports of the Board of Directors and the Statutory Auditors and the comments of the Comptroller and Auditor General of India, thereon.
2. To declare dividend.
3. To appoint a director in the place of Thiru T Udhayachandran IAS, Director (holding DIN 02357295), who retires by rotation and being eligible offers himself for reappointment.
4. To appoint a director in the place of Thiru Mahesan Kasirajan IAS, Director (holding DIN 05102717), who retires by rotation and being eligible offers himself for reappointment.
5. To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY resolution:

**"RESOLVED THAT** consent of the Company be and is hereby accorded for the payment of remuneration of Rs. 7,50,000/- to M/s.Raman Associate (Firm Registration No.002910S) Statutory Auditors, besides reimbursement of travelling and out of pocket expenses at actuals subject to other terms and conditions laid down by the Office of the Comptroller and Auditor General of India in their letter No. CA V/COY/Tamil Nadu, TNEWSP(1)/581 dt.4.8.2014"

**SPECIAL BUSINESS**

6. To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY resolution:

**"RESOLVED THAT**, pursuant to the provisions of Section 148 and its related and applicable provisions of the Companies Act, 2013 read with Companies (Audit and Auditors) Rules 2014, (including any statutory modifications or re-enactment thereof for the time being in force), the remuneration of Rs. 1,80,000/- (Rupees One lakh eighty thousand only) plus reimbursement of travelling and out of pocket expenses at Rs.30,000/- for the financial year ending 31<sup>st</sup> March, 2016 as approved by the Board of Directors of the company to be paid to M/s.Raman & Associates., (Firm Registration No.0050) Cost and Management Accountants, Chennai, appointed by the Board as Cost Auditors to conduct the audit of the cost accounts of the company for Paper, Cement and Energy, be and is hereby ratified."

**"RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorized to do all acts

and take all steps as may be necessary, proper or expedient to give effect to this resolution."

7. To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY Resolution:

**"RESOLVED THAT** consent of the company be and is hereby accorded to the appointment of Thiru R Mani (holding DIN 06543489) as Director (Operations) of the company for a period of one year w.e.f. 27<sup>th</sup> February, 2015."

**"RESOLVED FURTHER THAT** pursuant to the provisions of Sections 196,197,203 and all other applicable provisions, if any, of the Companies Act, 2013 and Article 140 of the Articles of Association of the Company and subject to such other approvals, as may be necessary, consent of the members of the Company be and is hereby accorded for payment of remuneration to Thiru R Mani, Director (Operations) as below with effect from 27<sup>th</sup> February, 2015 notwithstanding the absence or inadequacy of profits during any financial year:"

Particulars	Rs. (per month)
Basic Pay	105000
Dearness Allowance	52500
Provident Fund	18900
Other allowances	33600
Free housing provided in the company's quarters	

**"RESOLVED FURTHER THAT** Thiru R Mani will not be entitled to any sitting fee for attending the meetings of the Board or any Committee thereof."

BY ORDER OF THE BOARD

Place : Chennai

Date : 28<sup>th</sup> May, 2015

**V SIVAKUMAR**

COMPANY SECRETARY

**NOTES**

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- 2) Proxies in order to be effective, must be lodged with the Company not later than 48 hours before the meeting.

A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the company carrying voting rights. A member holding more than ten percent of the total share capital of the company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other person or shareholders.



- 3) During the period beginning 24 hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, a member would be entitled to inspect the proxies lodged at any time during the business hours of the company provided that not less than three days of notice in writing is given to the Company.
- 4) The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business set out under Items 6 and 7 is annexed hereto.
- 5) The Register of Members and Share Transfer Books of the Company will be closed from 12<sup>th</sup> September, 2015 to 18<sup>th</sup> September, 2015 (both days inclusive) for the purpose of payment of the dividend for the financial year ended 31<sup>st</sup> March, 2015 and the AGM.
- 6) The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
- 7) The Register of Contracts or Arrangements in which Directors are interested maintained under Section 189 of the Companies Act, 2013 will be available for inspection by the members at the AGM.
- 8) The dividend for the year ended 31<sup>st</sup> March, 2015 as recommended by the Board, if sanctioned at the meeting, will be paid to those members whose names appear in the company's Register of Members on 18<sup>th</sup> September, 2015. In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services (India) Limited for this purpose.
- 9) All unclaimed dividends upto the financial year ended March 31, 2007 have been transferred to the General Revenue Account of the Central Government. Members who have not encashed their dividend warrant(s) for the said period are requested to claim the amount from the Registrar of Companies (Tamil Nadu), Shastri Bhavan, Block No.6, II Floor, 26 Haddows Road, Chennai 600 006. In case any assistance is required in this regard, please write to the company or to the company's Registrar and Share Transfer Agents viz. M/s. Cameo Corporate Services Limited Unit : Tamil Nadu Newsprint and Papers Limited, 'Subramanian Building', 1 Club House Road, Chennai 600 002.
- 10) As regards dividend pertaining to the financial year ended March 31, 2008 and thereafter, amounts remaining in the Unpaid Dividend Accounts of the company have to be transferred to 'The Investor Education and Protection Fund' established by the Central Government at the expiry of seven years from the date of transfer to the respective year's Unpaid Dividend Account. Thereafter, the Members shall have no claim against the Fund or the Company in respect of his/her unpaid dividend. Such transfer has already been effected with regard to the unpaid dividend for the financial years 1996-97 to 2007-2008 (Interim). The unpaid dividend for the financial year 2007-08 (final) will be transferred to the above fund during November 2015. Members are therefore requested to lodge their claims for unpaid dividend, if any, immediately with the Company.
- 11) Members holding shares in physical form are requested to quote their Registered Folio No. in all their correspondences and notify promptly change, if any, in their Address/ bank mandate to the company's Registrar and Share Transfer Agents.
- 12) Electronic copy of the Notice of the 35<sup>th</sup> Annual General Meeting of the company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to all the members whose email Ids are registered with the Company / Depository Participants(s) for communication purposes unless any member has requested for a hard copy of the same. For members who have not registered their email address, physical copy of the Notice of the 35<sup>th</sup> Annual General Meeting of the company inter alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent in the permitted mode.
- 13) Members may note that the Notice of the 35<sup>th</sup> Annual General Meeting and the Annual Report for 2015 will also be available on the company's website [www.tnpl.com](http://www.tnpl.com) for their download. The physical copies of the aforesaid documents will also be available at the company's Registered Office in Chennai for inspection during normal business hours on working days. Even after registering for e-communication, members are entitled to receive such communication in physical form, upon making a request for the same, by post free of cost. For any communication, the shareholders may also send request to the company's investor email id: [invest\\_grievances@tnpl.co.in](mailto:invest_grievances@tnpl.co.in)
- 14) **Voting through electronic means**
  - I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as substituted by the Companies (Management and Administration) Amendment Rules, 2015 (Amended Rules 2015) and clause 35 B of the Listing Agreement, the company is pleased to provide members, facility to exercise their right to vote on resolutions proposed to be considered at the AGM by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM (remote e-voting) will be provided by Central Depository Services (India) Limited (CDSL).
  - II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
  - III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again. The route map for the venue of the AGM is also provided to the shareholders at Page No.23 of this report.

- IV. The remote e-voting period commences on 15<sup>th</sup> September, 2015 (9.00 a.m.) and ends on 17<sup>th</sup> September, 2015 (5.00 p.m.). During this period members of the company holding shares either in physical form or in dematerialized form, as on the cut off date of 11<sup>th</sup> September, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by CDSL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:

#### IN CASE OF MEMBERS RECEIVING E-MAIL

- i. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com)
- ii. Click on Shareholders.
- iii. Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- iv. Next enter the Image Verification as displayed and Click on Login.
- v. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vi. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
<b>PAN</b>	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>* Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>* In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>

<b>DOB#</b>	Enter the Date of Birth as recorded in your demat account or in the company records for the said demat account or folio in dd/mm/yyyy format.
<b>Bank Details#</b>	<p>Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio.</p> <p># Please enter the DOB or Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iii).</p>

- vii. After entering these details appropriately, click on "SUBMIT" tab.
- viii. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- ix. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- x. Click on the EVSN "Tamil Nadu Newsprint and Papers Limited".
- xi. On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- xii. Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- xiii. After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- xiv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xv. You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

- xvi. If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- xvii. Note for Non-Individual Shareholders & Custodians:
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates and Custodians respectively.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they should create compliance user using the admin login and password. The Compliance user would be able to link the depository account(s) / folio numbers on which they wish to vote.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xviii. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or they may also communicate to the scrutiniser by email to [rsaevoting@gmail.com](mailto:rsaevoting@gmail.com)
- VI. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the company as on the cut-off date of 11th September, 2015.
- VII. Any person who acquires shares of the company and becomes member of the company after dispatch of the Notice of AGM and holding shares as of the cut off date i.e. 11<sup>th</sup> September 2015, may obtain the login Id and password by sending a request at [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com). However, if you are already registered with CDSL for remote e-voting, then you can use your existing user Id and password for casting your vote. If you have forgotten your password, you can reset your password by using 'Forgot User Details/Password' option available on [www.evotingindia.com](http://www.evotingindia.com)
- VIII. A person whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut off date only shall be entitled to avail the facility of remote evoting as well as voting at the AGM through ballot paper.
- IX. Thiru R Sridharan, Practicing Company Secretary (Membership No.F4775) has been appointed as the Scrutiniser to scrutinise the voting and remote e-voting process in a fair and transparent manner.
- X. The Chairman, shall at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of ballot paper for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XI. The Scrutiniser shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and shall make not later than three days of the conclusion of the AGM, a consolidated scrutiniser's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XII. The results declared alongwith the report of the Scrutiniser shall be placed on the website of the company [www.tnpl.com](http://www.tnpl.com) and on the website of CDSL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to BSE and NSE.
- 15) Additional information pursuant to Clause 49 of the Listing Agreement with the stock exchanges in respect of the Directors seeking appointment / re-appointment at the AGM are furnished and forms part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
- 16) In case of any change of particulars including address, bank mandate & nomination of shares held in demat form, it should be notified only to the respective Depository Participants(DPs) where the member has opened his demat account. The company or its share transfer agent will not be able to act on any direct request from these Members for change of such details.
- 17) Members are informed that the Company is extending the Electronic Clearing Service (ECS) facility to enable them receive their dividend through electronic mode in their bank account. In order to avail the ECS facility, the Members are requested to fill, sign and send the ECS mandate form, which forms part of this Annual Report, along with a photocopy of the cheque issued by the bank for verifying the accuracy of the MICR code number to M/s. Cameo Corporate Services, whose address is given in Point No.9 (in case of members holding shares in physical mode) or to the Depository Participants concerned (in case of members holding shares in electronic mode/ dematerialized form). Members holding shares in demat form may please note that the bank account details given by them to their DPs and passed on to the company by such DPs would be printed on the dividend warrants of the concerned members. However, if any member(s) wants to receive dividend in any other bank account, he/she should change/correct the bank account details with their concerned DPs and also intimate about ECS payment requirement.

- 18) Members/Proxies are requested to bring the attendance slip sent with Annual Report duly filled in for attending the meeting.
- 19) Members are requested to bring their copies of Annual Report for the meeting. Copies of the Annual Report will not be distributed at the Annual General Meeting .
- 20) Members desiring any information as regards accounts are requested to write to the Company at least 7 days before the meeting so as to enable the Management to keep the information ready.
- 21) Equity shares of the company have been placed under Compulsory Demat Trading w.e.f. 8.5.2000. Members who have not dematerialised their physical holding in the company are advised to avail the facility of dematerialisation of equity shares of the company.
- 22) Members holding shares under different folios in the same names are requested to apply for consolidation of folios and send relevant share certificates to the Company's Registrar and Share Transfer Agents.
- 23) Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the company, a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting.
- 24) SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit their PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents.
- 25) The Ministry of Corporate Affairs, New Delhi ("MCA") has undertaken a "Green Initiative" in the field of Corporate Governance by permitting paperless compliances by companies (vide its Circular No.17/2011 dated April 21, 2011 and Circular No.18/2011 dated April 29, 2011). Further, the Ministry has also clarified that the service of documents by a company can be made through electronic mode instead of sending the physical copy of the document(s). Members are requested to support this green initiative by registering/updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with M/s. Cameo Corporate Services Ltd.
- 26) The documents referred to in the notice and the explanatory statement will be available for inspection at the Registered Office of the company on any working day during business hours of the company upto the date of the AGM.

**ANNEXURE TO THE NOTICE**

Notes on directors seeking appointment/ re-appointment as required under Clause 49 of the Listing Agreement entered into with Stock Exchanges:

**Profile of Directors being appointed/ reappointed****ITEM NO.3**

Name : Thiru T Udhayachandran IAS  
 Age : 43 years  
 Qualification : B.E.(ECE)  
 Experience : Thiru T Udhayachandran IAS belongs to 1995 batch of Indian Administrative Service. Thiru T Udhayachandran IAS has 20 years of service in various departments of Government of Tamil Nadu. Currently, Thiru T Udhayachandran IAS holds the position of Secretary to Government (Expenditure), Finance Department, Govt. of Tamil Nadu.

Thiru T Udhayachandran IAS does not hold any shares in Tamil Nadu Newsprint and Papers Limited (TNPL). His Directorships and Committee Memberships of other companies are as follows:

Company	Position	Committee Membership
Tamil Nadu Tourism Development Corpn.	Director	Nil
ELCOT	Director	Nil
TN Water Investment Company Limited	Director	Nil
TNUIFSL	Director	Nil
TN Arasu Cable T V Corpn. Ltd.	Director	Nil
Tamilnadu Small Industries Development Corpn.Ltd.	Director	Nil
Tamilnadu Power Finance and Infrastructure Development Corpn. Ltd.	Director	Nil
New Tirupur Area Development Corporation Limited	Director	Nil

**ITEM NO.4**

Name : Thiru Mahesan Kasirajan IAS  
 Age : 53 years  
 Qualification : Post Graduate in Commerce, Cost Accountant and a Graduate in Law  
 Experience : Thiru Mahesan Kasirajan IAS belongs to 2000 batch of Indian Administrative Service. Thiru Mahesan Kasirajan IAS has served as Collector of Erode, Sivaganga and Trichy districts. Currently,

Thiru Mahesan Kasirajan IAS holds the position of Director of Sugar.

Thiru Mahesan Kasirajan IAS does not hold any shares in TNPL. His Directorships and Committee Memberships of other companies are as follows:

Company	Position	Committee Membership
Tamil Nadu Sugar Corporation Ltd.	Managing Director	Nil
Perambalur Sugar Mills Ltd.	Chairman & Managing Director	Nil

**ITEM NO.7**

Name : Thiru R Mani  
 Age : 61 years  
 Qualification : B.E.(Hons.Mech.), B.O.E.  
 Experience : Thiru R Mani joined TNPL in 1983. Since then he has held various positions including Chief General Manager (Operations) from 2<sup>nd</sup> November, 2010 to 26<sup>th</sup> February, 2013. Thiru R Mani served as Director (Operations) on contractual basis for a period of two years from 27<sup>th</sup> February, 2013. Now, the Board of Directors have extended his service for a period of one year from 27<sup>th</sup> February, 2015 as per the details given in the resolution.

Thiru R Mani holds 200 shares in TNPL. His Directorships and Committee Memberships of other companies are Nil.

**Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013****ITEM NO.6**

The Board of Directors at their meeting held on 28<sup>th</sup> May, 2015 have approved the appointment of M/s.Raman & Associates (Firm Registration No.0050), Cost and Management Accountants, Chennai as Cost Auditors to conduct the audit of the cost accounts of the company pertaining to Paper, Cement and Energy for the financial year 2015-16 as per the directions which may be issued by the Central Govt. and the remuneration was fixed as given in the resolution.

As per Rule 14 of the Companies (Audit and Auditors) Rules 2014, the remuneration payable to the Cost Auditors is to be ratified by the shareholders. Accordingly, the resolution is placed before the members for consideration and approval.

None of the directors is interested or concerned in the above said resolution. None of the key managerial persons of the company either directly or through their relatives are in any way concerned or interested whether financially or otherwise in this resolution.



**ITEM NO.7**

The Board of Directors of your Company have extended the contractual engagement of Thiru R Mani as Director (Operations) for a period of one year with effect from 27<sup>th</sup> February, 2015 as per terms set out in the Resolution in the Notice.

The company has received from Thiru R Mani (i) consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR-8 in terms of Companies (Appointment & Qualification of Directors) Rules 2014, to the effect that he is not disqualified under sub-section (2) of Section 164 of the Companies Act, 2013.

The resolution seeks the approval of the members in terms of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder for the appointment of Thiru R Mani as Director (Operations) for a period of one year with effect from 27<sup>th</sup> February, 2015.

Your Directors recommend this resolution for approval of the members of the Company.

None of the Directors of the Company and their relatives or key managerial personnel and their relatives other than Thiru R Mani is interested or concerned in the resolution.

BY ORDER OF THE BOARD

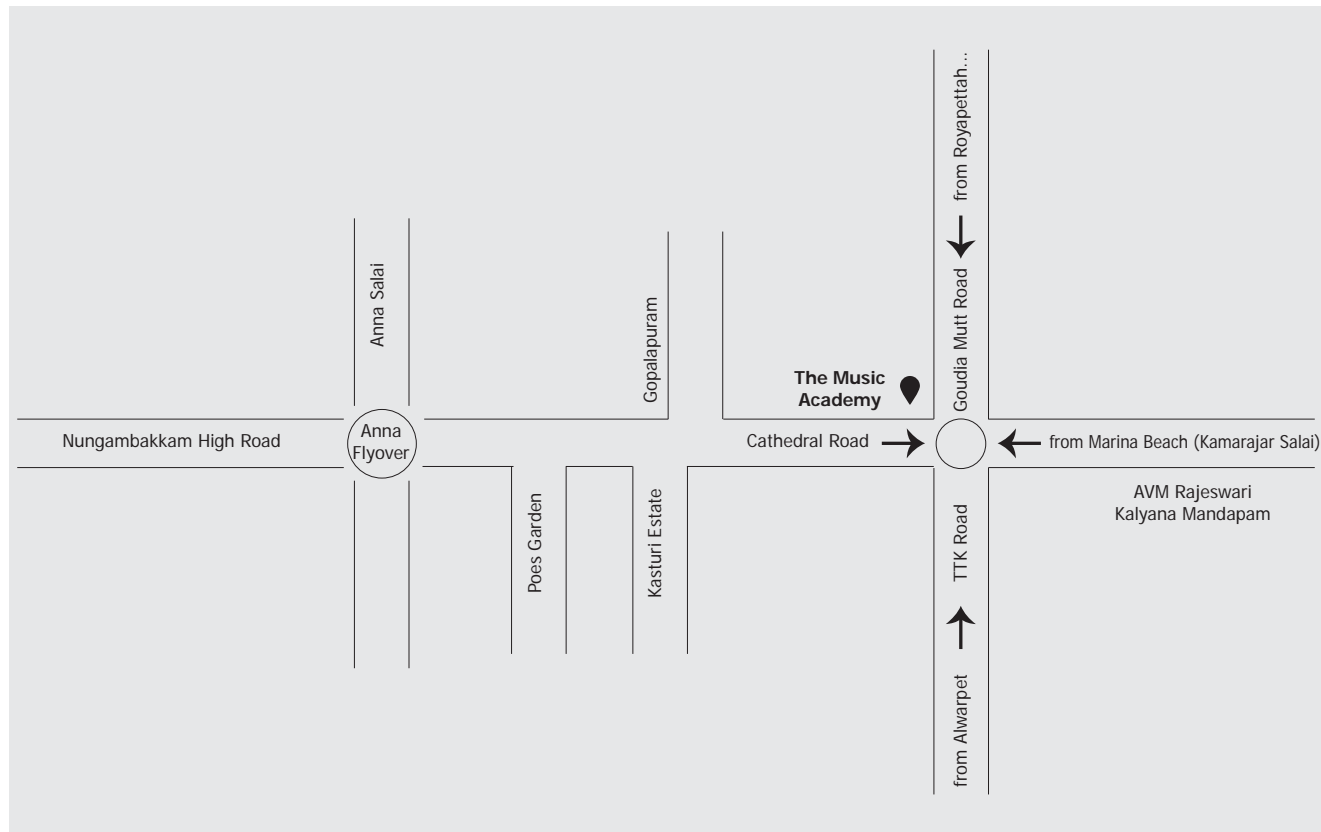
Registered Office :  
67 Mount Road, Guindy  
Chennai 600 032.

**V SIVAKUMAR**  
COMPANY SECRETARY

Place: Chennai

Date : 28<sup>th</sup> May, 2015

### Route Map for the venue of AGM



## DIRECTORS' REPORT

### TO THE MEMBERS

Your Company's Directors are pleased to present the 35th Annual Report of the Company along with Audited Accounts for the financial year ended 31st March 2015.

### 1. FINANCIAL RESULTS

The Financial Results for the year under review are summarized below:

(Rs. in crore)

Particulars	2014-15	2013-14
Revenue from operations	<b>2135.73</b>	2285.22
Other income	<b>16.64</b>	16.72
<b>Operating Profit (PBITD)</b>	<b>522.36</b>	523.21
Finance cost	<b>154.93</b>	128.21
<b>Gross Profit (PBDT)</b>	<b>367.43</b>	395.00
Depreciation	<b>137.30</b>	192.32
<b>Profit before tax</b>	<b>230.13</b>	202.68
Provision for tax	<b>63.40</b>	41.50
<b>Profit after tax</b>	<b>166.73</b>	161.18
Balance brought forward	<b>27.12</b>	20.22
Less : Adjustment*	<b>7.14</b>	-
<b>Profit Available for appropriation</b>	<b>186.71</b>	181.40
<b>APPROPRIATIONS</b>		
Transfer to General Reserve	<b>100.00</b>	100.00
Debenture Redemption Reserve	<b>5.42</b>	5.70
Proposed Dividend	<b>41.53</b>	41.53
Tax on Dividend	<b>8.45</b>	7.05
Balance carried forward	<b>31.31</b>	27.12
	<b>186.71</b>	181.40

\*Adjustment of Depreciation as per note 7(b) of Schedule II to Companies Act, 2013 (Net of Deferred Tax Liability).

During the entire year 2014-15, Indian Paper Industry was under severe strain due to unprecedented poor marketing conditions and consequent drop in prices. Despite this your company has achieved good overall results. The Management deserves commendation for their performance.

### 2. DIVIDEND

Your Directors recommend a dividend of 60% for the year ended 31<sup>st</sup> March, 2015. The Dividend, if approved by the shareholders at the AGM, will be paid to the equity shareholders whose names appear in the Register of Members as on 18<sup>th</sup> September, 2015. Expenditure on the proposed dividend, will be Rs. 49.98 cr. inclusive of taxes.

### 3. TRANSFER TO RESERVES

The Company has transferred Rs. 100 cr. to General Reserves and Rs. 5.42 cr. to Debenture Redemption Reserve out of the amount available for appropriation. Rs. 31.31 cr. is proposed to be retained in the Profit & Loss Account.

### 4. PERFORMANCE HIGHLIGHTS OF THE YEAR

#### a) Operations

1. Sales turnover crossed Rs.2000 cr mark for the second time.
2. Profit before tax of Rs.230.13 cr. was an all time record. Profit after tax of Rs.166.73 cr. exceeded the PAT achieved in 2013-14 by Rs. 5.60 cr.
3. 373259 MT of Paper and 284091 MT of Pulp were produced during the year.
4. Total sales was 337689 MT. Domestic sales constituted 78.44% and Export 21.56%.
5. 6208.84 lakh units of power were generated. 5841.57 lakh units were consumed. 367.27 lakh units were exported to the state grid. Power drawn from State Grid constitutes only 1.52% of total power consumed.
6. Received 127588 Renewable Energy Certificates (REC) for power generated from the steam produced in the Recovery Boiler. 48200 RECs were sold during the year yielding revenue of Rs. 7.12 crores (Net of exchange fees and service tax). 196381 RECs have been carried forward for sales during 2015-16.
7. Two bio-methanation plants set up within the factory premises have generated cumulatively 91.71 lakh m<sup>3</sup> of methane gas during the year 2014 - 2015. By using the methane gas in lime kiln, TNPL has saved consumption of 5378 kl of high cost furnace oil during the year.
8. Two windfarms with an installed capacity of 35.5MW generated 469.20 lakh Kwh Units of 'Green Power'.
9. The Company is involved in Farm Forestry and Plantations covering 105968 acres benefitting 20218 farmers in 29 districts of Tamilnadu.
10. Overall Water Consumption was 51 kl. Per MT of paper.
11. 161910 tonnes of cement were produced during the year. TNPL is the first and only company in the Paper Industry to convert mill wastes into high grade cement.
12. The company repaid on schedule Term Loans amounting to Rs.359.89 cr.

**b. New Projects**

1. The company is setting up a state-of-the-art Multilayer Double Coated Board Plant with an annual capacity of 200,000 MT per annum as a green field project in Mondipatti village, Manaparai taluk, Trichy District. The project is progressing as per schedule. The project is targeted to be completed by December 2015.
2. The company is expanding the cement production capacity set up as part of Lime Sludge and Fly ash Management from 600 tpd to 900 tpd. The Project is expected to be completed by December 2015.
3. The company has acquired 38.40 acres land with an Industrial shed measuring 11,248 Sq.Mts at Mayanur in Karur District for setting up paper conversion centre and setting up units related to paper industry. The conversion centre will be made available for setting up conversion units. This project is also expected to be completed by December 2015.

**c. Contribution to Environment**

1. During January '15, M/s. TuV India Limited, a subsidiary of TuV NORD, Germany carried out Surveillance Audit of TNPL's Environmental Management System and recommended to maintain the certificate till February 2017 as TNPL is conforming to the requirements of ISO 14001:2004 standards.
2. TNPL has launched a new "Eco-friendly" product during the year under the brand name "GreenPal". This paper is produced from Bagasse and recycled fibres. No tree is cut for production of this product, thus making it a totally environmental friendly product.
3. TNPL's treated effluent water is used for irrigation of around 1700 acres of land under TNPL Treated Effluent Water Lift Irrigation Scheme (TEWLIS) and 306 acres of land under Captive Plantation scheme.
4. The bio-gas generated in Bio-methanation plant using bagasse wash effluent with high COD is being used in the lime kilns in lieu of furnace oil.
5. TNPL celebrated the "World Environment Day" on 5<sup>th</sup> June, 2014 in Kagithapuram unit. 5000 tree saplings were planted in and around cement plant unit for improving green cover. Environment awareness rally was conducted in Unit II at Mondipatti village, Manapparai Taluk involving school children.

**d. Corporate Social Responsibility (CSR)**

The company has constituted a Committee called "Corporate Social Responsibility Committee" comprising of 5 Independent Directors. The Committee monitors CSR activities.

1. The Company aims to spend 2% of the average net profit of the company before tax in the last three financial years. The company spent Rs.3.73 cr. on CSR activities during the year under review.

2. The Company has undertaken CSR activities as per the CSR policy (available on your company's website [www.tnpl.com](http://www.tnpl.com)) The details are contained in the Annual Report on CSR activities vide Annexure – I, forming part of this Report. The CSR activities are mainly focused on Education, Health care, Socio-economic development, Environmental sustainability and Culture & Heritage promotion.

**e. Contribution to Innovation and New knowledge development**

1. The company nurtures creativity and innovation through its R & D activities which are carried out largely in-house. A few activities are outsourced when warranted.
2. The R & D activities focus on product development, process improvement, raw material substitution, development of new products and protection of the environment.
3. The company spent Rs. 6.12 Cr. on R & D activities during the year.

**f. Awards**

- The Company has received "IPMA Paper Mill of the year Award" for the year 2013-14 from Indian Paper Manufacturers' Association (IPMA). The company has received the above award Fourth time and for the Second time in a row.
- Dun & Bradstreet, Mumbai, has selected TNPL as the "Top Indian Company" under the sector paper for Dun & Bradstreet Corporate Awards 2015 for the Fourth time in a row.
- Confederation of Indian Industry (CII) in its 15<sup>th</sup> National Award for Excellence in Energy Management 2014, has selected TNPL as one of the 49 companies for the 'Excellent Energy Efficient Unit' Award.

**5. MARKET TRENDS****a. General**

The installed capacity of Paper industry in India is approximately 12.75 million tonnes. The Industry's average capacity utilization is 89%. The overall consumption inclusive of imports and net of exports is 13.10 million tonnes.

The average per capita consumption in India is around 11 kgs. against the global average consumption of 56 kgs. The world demand growth for paper is around 1.5%. With greater emphasis on education and literacy rate and positive trend in the growth of the economy, the demand growth for paper in India is estimated to be around 6%. Excise duty and Import duty on paper remained unchanged at 6% and 10% respectively.

**b) Printing & Writing Paper**

Between 2008 and 2011, many mills added capacity and supplies exceeded demand. Consequently, paper prices dropped in 2012. During 2013, Paper industry faced scarcity in supplies of pulpwood leading to mills importing wood logs and chips at higher prices impacting margins. Consequent to the steep increase in input costs, paper prices increased during 2013. The price rise did not last long. With the paper prices declining in the International market and Rupee strengthening against USD, large volume consumers and traders started importing paper in large volume under Free Trade Agreements (FTA). The domestic industry thus faced unprecedented challenges, both on cost front and on market front during 2014-15. Prices and sales declined eroding margins.

With seasonal demand from the Education Sector and positive sign in the economic growth, the market started showing signs of improvement since April 2015.

**c) Packaging Boards**

The market for Packaging Board is estimated at 2.4 Million tonnes. Grey-back Boards account for 1.08 million tonnes (45%), White-back Coated Boards and other high-end varieties like Folding Boxboard, Solid Bleached Sulphate Boards, etc. account for the remaining 1.32 million tonnes (55%) The demand growth in the high end segments is estimated at 11.5% per annum.

**d) Outlook**

With the demand growth anticipated at 6% per annum, the domestic consumption is expected to rise to 23.50 mtpa. by 2024-25. There is good potential for domestic manufacturers for adding capacity in Paper and Board about 1 mtpa.

Consistent growth in the economy and greater emphasis on education and literacy by the Government are considered the key drivers for demand growth in printing & writing paper. Demand for better quality packaging of food & health care products and high value consumer products are the key demand drivers for growth in Paper Board.

**e) TNPL response to Market Trends**

TNPL has increased its production capacity consistently, keeping in pace with Industry growth. The Company is now setting up a Multilayer Double Coated Board Plant with a capacity of 2 lakh MT per annum. With this, the total production capacity of the company will rise to 6 lakh MT per annum from the Financial Year 2016-17.

**6. DIRECTORS & KEY MANAGERIAL PERSONNEL**

The Board of Directors have extended the service of Thiru R Mani as Director (Operations) on contract basis for one year from 27<sup>th</sup> February, 2015. Thiru R Mani will hold office upto the date of the forthcoming Annual General Meeting and is eligible for appointment as Director at the AGM.

In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Thiru T Udhayachandran IAS, Director and Thiru Mahesan Kasirajan IAS, Director retire by rotation at the forthcoming Annual General Meeting. They are eligible for reappointment as Directors. The Board of Directors, at its meeting held on 29<sup>th</sup> May, 2014 appointed Thiru V Sivakumar as the Company Secretary - a key managerial person in accordance with the provisions of Section 203 of the Companies Act, 2013.

**6.1 Declaration from Independent Directors on Annual Basis**

The Independent directors have submitted their disclosure to the Board confirming that they fulfill all the requirements as to qualify for their appointment as an Independent Director under the provisions of Section 149 of the Companies Act, 2013 as well as Clause 49 of the Listing Agreement. The Board confirms that the said independent directors meet the criteria as laid down under the Companies Act, 2013 as well as Clause 49 of the Listing Agreement.

**6.2 Remuneration Policy**

The Board, on the recommendation of the Nomination & Remuneration Committee has framed a policy for selection and appointment of Directors, Senior Management and their remuneration.

**6.3 Meetings**

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, Eight Board Meetings and Seven Audit Committee Meetings were convened and held, the details are given in the Corporate Governance Report. The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and Clause 49 of the Listing Agreement.

**6.4 Board Evaluation**

Pursuant to the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement, the Board has carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit and Nomination & Remuneration Committees.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors. The Directors expressed their satisfaction with the evaluation process.

**7. INTERNAL COMPLAINTS COMMITTEE**

In accordance with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act,

2013 & the Rules made thereunder the Company has constituted an Internal Complaints Committee (ICC) as per section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 read with its Rules. The ICC will comprise the following Members:

- (i) Tmt.R.S.Tamilarasy, Deputy Manager (Lab) – Presiding Officer
- (ii) Thiru.P.Sundaram, MSW, Manager – HR (Member)
- (iii) Tmt.M.Pemila Beham, MSW, Assistant Officer – HR (Member)

The above members are amongst employees preferably committed to cause of women or who have had experience in social work or have legal knowledge.

During the year under review, there were no complaints referred to the Committee.

## 8. AUDITORS

**a) Statutory Auditors** The Comptroller and Auditor General of India appointed M/s. Raman Associate, Chartered Accountants, Chennai, as the Statutory Auditors of the Company for the Financial year 2014-15

**b) Cost Auditors** Pursuant to Sec.148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the company in respect of its cement activity is required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed M/s Raman & Associates, to audit the cost accounts of the company for the year 2014-15. The cost audit report for the year 2014-15 will be submitted to the Central Government before the due date. Cost Audit report for the financial year 2013-14 was filed on schedule.

**c) Secretarial Auditor** Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s R. Sridharan & Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the company. The Report of the secretarial audit is annexed herewith as "Annexure II".

## 9. NON- CONVERTIBLE DEBENTURES

During the year, the Non-Convertible Debentures Series- II aggregating Rs. 50 Crore were fully redeemed.

In the year 2014-15, the company has paid their installments to the debenture holders for NCD Series-I and II aggregating to Rs. 34.72 cr. which was within the stipulated time as per schedule.

As on 31<sup>st</sup> March, 2015, Non-Convertible Debentures Series-I aggregating Rs. 5.56 cr. remain outstanding.

## 10. FIXED DEPOSITS

The company has stopped accepting fresh deposits from 1<sup>st</sup> June, 2002 and renewals from 1<sup>st</sup> August, 2005. There was no outstanding deposit as on 31<sup>st</sup> March, 2015 compared to Rs.0.45 Lakhs in the previous year. The Company has not accepted deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptances of Deposits) Rules, 2014.

## 11. RISK MANAGEMENT FRAMEWORK

TNPL has established a Risk Management Framework under which the risks covering the entire operation have been identified and categorized as high, medium and low.

All the risks are discussed periodically in the Senior Management Committee meetings and appropriate actions are taken pro-actively.

The risk details and mitigation plans are placed before the Audit Committee and the Board, bi-annually.

## 12. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

TNPL has instituted adequate internal control procedures commensurate with the size of its operations. TNPL has also prepared an 'Internal Control Procedure Manual' to ensure that the control procedures are followed by all departments. The departments concerned in the company are complying with the stipulations in the manual without deviating the procedures. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.

Internal controls are supported by internal audit and management reviews. The Audit Committee meets periodically the Management, External-Internal auditors, Internal auditors, Statutory Auditors and reviews the Annual Audit plans and internal controls. All significant observations of the Auditors are acted upon. The Audit Committee met 7 times during the financial year. The review of Management Response to Audit Observations, constitutes an important aspect of the Agenda for each meeting.

## 13. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The company has framed a vigil mechanism / whistle blower policy, the details of such Policy are explained in the Corporate Governance Report and also posted on the website of the Company at [www.tnpl.com](http://www.tnpl.com).



#### 14. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statements.

#### 15. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year, the company has transferred Rs. 11,03,649/- being the Dividend and Fixed Deposit amount which were due and payable and remained unclaimed and unpaid for a period of seven years, to the Investor Education and Protection Fund, as required under Section 205A (5) of the Companies Act , 1956.

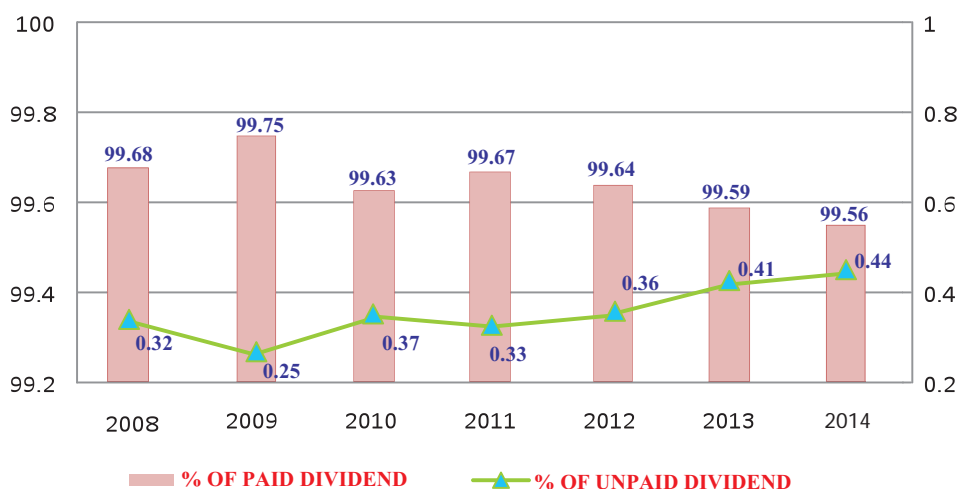
#### 16. UNPAID DIVIDEND STATUS

Dividends were remaining unpaid due to non-confirmation of their new addresses by the concerned shareholders. The unpaid dividends were returned by the postal authorities. Effective follow-up by the Company has resulted in Unpaid Dividends being consistently below 0.5% of the total dividends. As and when the shareholders communicate the new address, the dividend is sent to the shareholders. At the end of seven years, the unpaid dividend is transferred to Investor Education & Protection Fund. The table and graph given below summarize the status of Unpaid Dividends.

#### DIVIDEND STATUS FOR THE LAST 7 YEARS

(Rs. In lakhs)

SL No.	YEAR	SHARE CAPITAL	DIVIDEND %	DIVIDEND AMOUNT	DIVIDEND PAID	DIVIDEND UNPAID AS ON 31.3.2015	% OF PAID DIVIDEND	% OF UNPAID DIVIDEND
1.	2007-08	6921.06	25	1730.27	1724.77	5.50	99.68	0.32
2.	2008-09	6921.06	45	3114.48	3106.60	7.88	99.75	0.25
3.	2009-10	6921.06	45	3114.48	3103.07	11.41	99.63	0.37
4.	2010-11	6921.06	50	3460.53	3448.99	11.54	99.67	0.33
5.	2011-12	6921.06	50	3460.53	3448.09	12.44	99.64	0.36
6.	2012-13	6921.06	50	3460.53	3446.28	14.25	99.59	0.41
7.	2013-14	6921.06	60	4152.63	4134.30	18.33	99.56	0.44



## 17. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars required under Sec. 134(3)(m) of the Companies Act 2013, read with the Rule 8 of The Companies (Accounts) Rules, 2014, is furnished in Annexure III to this Report.

## 18. HEALTH

To render Medical Assistance for the employees and their dependents, company run Occupational Health Centre (OHC). OHC is functioning on round the clock basis in housing colony. In addition, specialist doctors from various fields visit the OHC every Sunday.

The company bears the entire medical expenses for 7 Serious Ailments viz. Heart Ailment, Cancer, Kidney Transplantation, Paralysis, Leprosy, Tuberculosis and Brain Surgery. Under a Special Medical Assistance Scheme, 50% of the hospitalization expenses for employee and their dependants are borne by the company.

Comprehensive Master Health Check-up is being carried out for employees thrice in their service period.

## 19. SAFETY

TNPL has adopted a clearly defined Occupational Health and Safety Policy. Suitable Personal Protective Equipments are provided to all employees. Periodical Training Programs are conducted to improve safety awareness among the employees including contract workmen. Caution boards, posters, slogans, Do's and Don'ts etc. are displayed at prominent places to promote safety at work places. Periodical medical checkups are organized for the employees to identify occupational health hazards. Safety Committee has been constituted and meetings are conducted periodically and suggestions given to improve safety aspects are implemented. Accidents and incidents are investigated and preventive / corrective actions are taken to avoid recurrence. Safety Audit, HAZOP study and Risk Analysis are carried out periodically through safety experts and the recommendations are implemented.

Testing of Pressure Vessels, Lifting tackles, Conveyor Systems, Building Stability, etc., are carried out as per statutory requirements through competent person. On-site/Off-site Emergency Plans are available to mitigate emergencies. Periodic mock drills for hazardous chemical leakages and fire incident are conducted to ensure the effectiveness of emergency preparedness. Toxic gas leak sensors and smoke detectors with alarms are installed at hazardous material storage and process areas. The entire Mill is covered with fire hydrant points with pressurized water ring mains for fire fighting. Also different types of fire extinguishers according to the nature of fire are provided at strategic points for use in the event of fire. In addition, two mobile fire tenders and one portable fire pump are available to tackle fire emergency. Since inception, TNPL has maintained an excellent safety record.

## 20. PARTICULARS OF EMPLOYEES

None of the employees of the company was in receipt of remuneration in excess of the limits prescribed under the Companies Act, 2013 and the rules framed thereunder. The information as required under Section 197 read with Rule, 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the company, is annexed as Annexure V.

## 21. CASH FLOW STATEMENT

As required under Clause 32 of the Listing Agreement with the Stock Exchanges, a Cash Flow Statement prepared in accordance with the Accounting Standard (AS-3) issued by the Institute of Chartered Accountants of India is attached to the Balance Sheet.

## 22. EXPORT HOUSE STATUS

The Company continues to enjoy "Trading House" status, awarded by the Government of India, in recognition of its export performance.

## 23. INDUSTRIAL AND PERSONNEL RELATIONS

The Company continues to have healthy industrial and employee relations at all levels. Despite severe competition, the enthusiasm and unstinting efforts of the employees have enabled the company to remain at the forefront of the Industry.

Your Company continued to receive co-operation and unstinted support from the distributors, retailers, stockists, suppliers and others associated with the Company as its trading partners. The Directors wish to place on record their appreciation for the same and your Company will continue in its endeavor to build and nurture strong links with trade, based on mutuality, respect and co-operation with each other and consistent with consumer interest.

## 24. ENHANCING SHAREHOLDERS' VALUE

Your Company believes in the importance of its Members who are among its most important stakeholders. Accordingly, your Company's operations are committed to the goal of achieving high levels of performance and cost effectiveness, growth building, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your Company is also committed to creating value for its stakeholders by ensuring that its corporate actions have positive impact on the socio-economic and environmental growth and development.

## 25. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed:

1. That in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2015, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. That the directors had selected accounting policies and applied them consistently and made judgments and

estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for that period;

3. That the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. That the Annual Accounts were prepared for the financial year ended 31<sup>st</sup> March, 2015 on a going concern basis;
5. That the directors have laid down proper internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively;
6. That the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and are operating effectively.

## 26. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure IV"

## 27. CORPORATE GOVERNANCE

The Report on Management Discussion and Analysis and the Report on Corporate Governance forming part of Directors' Report are enclosed as "Annexures VI and VII".

As required by the Listing Agreement, an Auditor's Certificate on Corporate Governance and a Declaration by the Chairman & Managing Director with regard to Code of Conduct are attached to the Report on Corporate Governance.

## 28. RELATED PARTY TRANSACTIONS

There are no materially significant transactions with related parties during the year with Promoters, Directors, Key Managerial Personnel or other designated persons which are potentially conflicting with the interest of the Company at large.

The Board of Directors have framed the policy on Related Party Transactions and the same is uploaded on the Company's website.

None of the Directors have any pecuniary relationships or transactions vis-à-vis the Company.

Accordingly, the disclosures of Related Party Transactions required under section 134 (3)(h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

## 29. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

## 30. CEO/CFO CERTIFICATION

As required by Clause 49 of the Listing Agreement, a Certificate on the Financial Statements and Cash Flow statement of the company for the year ended March 31, 2015 duly signed by the Chairman & Managing Director and Deputy Managing Director was submitted to the Board of Directors at the meeting held on May 28, 2015.

## 31. ACKNOWLEDGEMENT

The Board has pleasure in recording its appreciation for the assistance, co-operation and support extended to the company by the Govt. of Tamil Nadu, Commercial Banks, Financial Institutions, Sugar Mills and Dealers.

The Board also places on record its sincere appreciation of the positive response received from the Company's valued customers and thanks them for their continued support.

The company is grateful to all employees for their exemplary co-operation during the year. Their contribution has been truly outstanding. The Directors place on record their appreciation of the excellent effort made by every employee to enhance the company's performance in adverse market conditions.

Finally, the Board of Directors sincerely thanks the shareholding community for their solid support and for the confidence they have reposed in the Company.

## 32. CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. The Company cannot guarantee the accuracy of assumptions and the projected future performance of the Company. The actual results may materially differ from those expressed or implied in this report. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

For and on behalf of the Board

**C V SANKAR**  
CHAIRMAN AND MANAGING DIRECTOR

Date: 3<sup>rd</sup> August, 2015

Place: Chennai 600 032



**ANNEXURE - I****ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES**

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs:

CSR policy is stated herein below:

**Weblink:**

[http://www.tnpl.com/template/images/CSR\\_POLICY\\_GUIDELINES.pdf](http://www.tnpl.com/template/images/CSR_POLICY_GUIDELINES.pdf)

2. The Composition of the CSR Committee:

- |                        |                           |
|------------------------|---------------------------|
| 1. Thiru. V Narayanan  | Chairman of the Committee |
| 2. Thiru. N Kumaravelu | Member                    |
| 3. Thiru. M R Kumar    | Member                    |
| 4. Thiru. V Nagappan   | Member                    |
| 5. Tmt. Sarada Jagan   | Member                    |

3. Average net profit of the company for last three financial years : Rs. 151.29 crores.

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above) : Rs. 3.02 crores.

5. Details of CSR spent during the financial year:

- |  |                    |
|--|--------------------|
| a. Total amount to be spent for the financial year                               | : Rs. 302.59 lakhs |
| b. Amount actually spent   | : Rs. 372.57 lakhs |
| c. Amount unspent, if any  | : Nil              |
| d. Manner in which the amount spent during the financial year is detailed below: |                    |

**CSR BUDGET AND ITS UTILISATION 2014-15**

Sl. No.	CSR Projects / Activities	Sector in which the Project / activity is covered	Projects or programs (1) Local area or Other (2) Specify the State and District where projects are undertaken	Amount outlay (budget) project or programs wise (Rs. In lakhs)	Amount spent on the projects or programs Sub-heads : (1) Direct expenditure on projects or programs (2) Overheads : (Rs. In lakhs)	Cumulative expenditure upto the reporting period (Rs. In lakhs)	Amount Spent : Direct or through implementing agency
1	CULTURAL COMPETITIONS, REWARDS, FREE EDUCATION, INFRASTRUCTURE DEVELOPMENT IN GOVT. SCHOOLS, SPORTS PROMOTIONS.	EDUCATION	"TAMIL NADU, KARUR DISTRICT"	47.00	47.48	47.48	"SPENT DIRECTLY AND THROUGH 1) TNPL ARAKKODAI TRUST, KARUR 2) DISTRICT RURAL DEVELOPMENT AGENCY(DRDA), KARUR"
2	SPECIAL MEDICAL CAMPS, CATTLE CARE CAMPS, SANITATION, WELFARE TO THE DIFFERENTLY ABLED PERSONS.	HEALTH CARE	"TAMIL NADU, KARUR DISTRICT"	22.00	21.61	69.09	
3	CONTRIBUTION TO CONSTRUCT MULTI UTILITY HALL, ELECTRICITY, ROADS, DRINKING WATER, RATION SHOP BUILDING,RETAINING WALLS, SETTING UP OF PUBLIC LIBRARIES.	SOCIO-ECONOMIC DEVELOPMENT AND SECURITY	"TAMIL NADU"	193.00	192.93	262.02	
4	CONTRIBUTION FOR CONSTRUCTION OF GREEN PARK AND TRAINING HALL, DEVELOPMENT OF PARK, CONSERVATION OF ANIMALS.	ENVIRONMENT	"TAMIL NADU, KARUR DISTRICT, TRICHY DISTRICT"	93.00	92.88	354.90	
5	PRESERVATION OF HERITAGE BUILDINGS, PROMOTION OF TAMIL LITERATURE,FOLK, TRADITIONAL DANCE ETC.,	CULTURE & HERITAGE	"TAMIL NADU, KARUR DISTRICT, CHENNAI "	18.00	17.67	372.57	
<b>TOTAL</b>				<b>373.00</b>	<b>372.57</b>	<b>372.57</b>	

**ANNEXURE - II**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2015**  
**[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies**  
**(Appointment and Remuneration of Managerial Personnel) Rules, 2014]**

To,  
The Members,  
**TAMILNADU NEWSPRINT & PAPERS LIMITED**  
67, MOUNT ROAD,  
GUINDY  
CHENNAI – 600032

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TAMILNADU NEWSPRINT & PAPERS LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2015 and on the basis of our review, we hereby report that during the year under review, the Company has complied with the applicable provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder and the Companies Act, 1956 (to the extent applicable);
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) During the year, the Company has not dealt with the matters relating to Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings under Foreign Exchange Management Act, 1999 (FEMA) and hence, the question of complying with the provisions of FEMA and the rules and regulations made there under does not arise;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c) The Company has not issued any securities during the year under review and hence the question of compliance of the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 does not arise;
- d) The Company has not formulated any Scheme of ESOP/ESPS and hence the requirement of compliance of the provisions of The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 does not arise;
- e) The Company has not issued any debentures during the period under review, and hence the requirement of compliance of the provisions of the Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 does not arise;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Company has not delisted its Securities from any of the Stock Exchanges in which it is listed during the period under review and hence the question of complying with the provisions of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 does not arise ; and
- h) The Company has not bought back any Securities during the period under review and hence the question of complying with the provisions of the Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 does not arise;

(vi) We have reviewed the systems and mechanisms established by the Company for ensuring compliances under the other applicable Acts, Rules, Regulations and Guidelines prescribed under various laws which are specifically applicable to the Company and categorized under the following major heads/groups:

1. Atomic Energy Act, 1962 & Atomic Energy (Radiation Protection) Rules 2004;
2. The Factories Act, 1948 & Factories Rules 1950;
3. Labour laws and other incidental laws related to labour and employees appointed by the Company including those on contractual basis as relating to industrial disputes, wages, bonus, gratuity, provident fund, insurance, etc.;
4. The Industries (Development & Regulation) Act, 1951;
5. Acts relating to consumer protection including The Competition Act, 2002;
6. Acts and Rules prescribed under prevention and control of pollution;
7. Acts and Rules relating to Environmental protection and energy conservation;
8. Acts and Rules relating to hazardous substances and chemicals;
9. Acts and Rules relating to electricity, motor vehicles, explosives, fire service, boilers, gas cylinders, etc.;
10. The Petroleum Act, 1934 & the Rules;
11. Land revenue laws and
12. Other local laws as applicable to the plant and office.

With respect to Fiscal laws such as Income Tax, Wealth Tax, Professional Tax, Central Sales Tax & Local Sales Tax, Value Added Tax, Central Excise Act and Service Tax Rules, we have reviewed the systems and mechanisms established by the Company for ensuring compliances under various Acts and based on the information and explanation provided to us by the management and officers of the Company and also on verification of compliance reports taken on record by the Board of Directors of the Company, we report that adequate systems are in place to monitor and ensure compliance of fiscal laws as mentioned above.

We have also examined compliance with the applicable clauses of the following:

- (i) The Secretarial Standards on General and Board Meetings specified by the Institute of Company Secretaries of India (ICSI) as prescribed under Section 118 (10) of the Act are applicable with effect from 1<sup>st</sup> July, 2015. However, the Secretarial Standards 1 and 2 relating to Board and General Meetings, which were issued by the ICSI as recommendatory in nature have been generally complied with.

- (ii) The Listing Agreements entered into by the Company with BSE Limited, National Stock Exchange of India Limited.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

#### **We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting. Based on the verification of the records and minutes, the decisions were carried out with the unanimous consent of the Directors / Committee Members and no Member dissented on the decisions taken at such Board / Committee Meetings. Further, in the minutes of the General Meeting, the members who voted against resolutions have been properly recorded.

**We further report** that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report** that during the audit period, the company has;

- (i) Obtained the approval of Shareholders by passing Special Resolutions through postal ballot for increase in the borrowing powers of the Company under Section 180 (1) (c) of the Act and for creating charge on the properties /mortgaging the properties of the Company in favour of the lenders for the borrowings made/to be made, from time to time under Section 180 (1) (c) of the Act.

Place: Chennai

Date : 6<sup>th</sup> May, 2015

**For R.SRIDHARAN & ASSOCIATES**  
COMPANY SECRETARIES

**CS R.SRIDHARAN**

CP No. 3239

FCS No. 4775

*This report is to be read with our letter of even date which is annexed as **ANNEXURE A** and forms an integral part of this report.*

**'ANNEXURE A'**

To  
The Members  
**TAMILNADU NEWSPRINT & PAPERS LIMITED**  
67, MOUNT ROAD,  
GUINDY  
CHENNAI – 600032

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Account of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Place: Chennai  
Date : 6<sup>th</sup> May, 2015

**For R.SRIDHARAN & ASSOCIATES**  
COMPANY SECRETARIES

**CS R.SRIDHARAN**  
CP No. 3239  
FCS No. 4775

**ANNEXURE - III****PARTICULARS UNDER SECTION 134(3)(m) OF THE COMPANIES ACT, 2013 READ WITH RULE 8(3) OF THE COMPANIES (ACCOUNTS) RULES, 2014.****REPORT ON ENERGY CONSERVATION DURING THE YEAR 2014-15****I (A) ENERGY CONSERVATION MEASURES TAKEN**

- I a) 1. Installation of Perforated sheet in distribution screw conveyor of CD-6 in CBP-3 has resulted in reduction of 924 MT of MP steam. The cost savings is Rs. 7.5 Lakhs.
2. By Diverting LP Steam condensate from DHT filtrate heat Exchanger from Hot water circulation pump suction to hot water supply pump suction and thereby stopping the Hot water circulation pump resulted in savings of 70578 Units of power and the cost savings of Rs. 2.0 Lakhs.
3. Recycling of EOP & D1 bleach filtrate in CB-ECF plant LP Steam consumption from 0.25 t to 0.15 t of unbleached pulp in bleach plant has resulted in reduction of 13333 MT of LP steam and cost savings of Rs. 103.0 Lakhs.
4. Thermal energy savings by utilizing the continuous blow down water of Boiler # 5 in caustisizer plant resulted in savings of 113 MT of imported coal and the cost savings is Rs. 5.25 lakhs.
5. Thermal energy savings by utilizing the continuous blow down water of Boiler # 6 in caustisizer plant resulted in savings of 294 MT of imported coal and the cost savings is Rs. 13.65 Lakhs
6. Thermal energy savings by utilizing the continuous blow down water of Boiler # 7 in caustisizer plant resulted in savings of 33 MT of imported coal and the cost savings is Rs. 1.51 Lakhs
7. 2318 Mt of Imported coal savings due to Wood dust firing in boiler resulted in savings of Rs. 107.5 Lakhs.
8. By Stopping of cationic starch preparation at CAP & the same was supplied from CCK thereby 97272 Units of power saved and the cost savings Rs. 2.76 Lakhs.
9. Scorpio filler feeding & Bucket elevator filler feeding system stopped by procuring GCC & PCC in slurry form (from OMYO plant) thereby 273762 units of power saved and cost savings is Rs. 7.78 lakhs.
10. Machine Chest PUMP provided with VFD thereby reduction of power achieved is 25 KW thereby 72000 Units of power saved & the cost savings is Rs. 2.04 Lakhs.
11. Stopping of One Parason Make Tri-disc Refiner in PM#1 as the Imported pulp (BSWSP) usage is reduced thereby 226800 units of power saved & the cost savings is Rs. 6.44 Lakhs.

12. Stopping of One Parason Make Tri-disc Refiner in PM#2 as the Imported pulp usage is reduced there by 302400 units of power saved & the cost savings is Rs. 8.58 Lakhs.

13. A Plate type titanium heat exchanger was installed in bagasse ECF bleach plant for HOT water production by using of acidic bleach filtrate of chlorine dioxide thereby 558 MT of imported coal saved and cost savings is Rs. 25.88 Lakhs.

14. 120 KL of Furnace oil saved due to isolation of calendria-4 in RB-3 for tube cleaning resulted in savings of Rs. 42.14 Lakhs.

- |     |   |                         |
|-----|---|-------------------------|
| (b) | Additional investment incurred in implementing of the above proposals - | <b>Rs. 112.3 Lakhs</b>  |
| (c) | 1) Impact of measures at a,b in reduction of energy consumption         | <b>Rs. 223.73 Lakhs</b> |
|     | 2) Impact on the cost of production per ton of paper                    | <b>Rs. 59.94</b>        |

**II. REPLACEMENT OF OLD ASSETS:**

One number of high pressure CFBC Boiler of 105 ata, 125 tph along with one number of 41 MW TG was commissioned to replace three numbers of old 44 ata, 60 tph, Power Boiler and 2 number of TGs totaling 18.5 MW under "Revamping of steam and Power System" (RSPS) was done during the FY 2013-14. It resulted in reduction of imported coal by 9435 MT thereby saving Rs.438 lakhs apart from meeting the plant requirement.

**I (B) RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION****I. SPECIFIC AREAS IN WHICH R&D CARRIED OUT BY THE COMPANY**

Indian industry including pulp and paper mills have to manage multiple tasks, such as, high cost and scarcity of raw material, fuels, chemicals and natural resources like water for sustainable operation of mill. TNPL R&D has focused its study to improve operations, cost efficiency, end product quality, lower energy consumption, carbon emissions, energy from waste and water conservation & management.

**Biotechnology**

Tissue culture protocol was standardized for three Eucalyptus hybrids clones viz. 316, TC1 & 2135 and 1320 number of seedlings were produced and supplied to plantation for further multiplication. For the current year, totally 54,440 tissue culture seedlings were produced and distributed which include 7800 seedlings of thorn-less bamboo.

Plant scale R&D trials were successfully completed to optimize enzyme dosage and time with reference to enzyme activity and initial viscosity of the starch. This has resulted in uniform viscosity and reduced paper breaks in the size press.

### **Pulping and Bleaching**

Laboratory studies were conducted to evaluate the effect of Magnesium Hydroxide as a substitute for Sodium Hydroxide in waste paper bleaching. The brightness achievement is same for Magnesium Hydroxide bleaching when compared to Sodium Hydroxide bleaching with less TDS load to wastewater.

Laboratory studies on waste paper bleaching indicates that brightness achievement is more for Magnesium sulphate bleaching when compared to EDTA bleaching and it also acts as a peroxide stabilizer resulting in less peroxide consumption.

### **Paper Making and Wet end Chemistry**

R&D studies were carried out with higher dosage of ash content of about 25% (50:50 GCC:PCC) to improve printability properties like fast ink drying, print quality, reduced show through by increasing the scattering coefficient. The study showed that substantial improvement can be achieved if ash content is raised from 20 to 25 % in certain grades and these products were released to the market.

Poly Aluminum Chloride (PAC) has been introduced as the anionic trash quencher to reduce charge for the past six month in all the three machines which has resulted in consistent high first pass ash retention and good machine runnability.

TNPL has been continuously working to produce paper grades with fast ink drying characteristic in bagasse based furnish and identified a compound which accelerates the drying of ink by oxidation of the ink.

### **New Product Development**

To avoid cutting the trees, TNPL has developed and designed the new product namely "GreenPal" which has zero wood virgin fibre. The production commenced in September 2014 and received well among the market.

### **Environmental performance**

To reduce entry of Non Process Elements (NPE) in the Soda Recovery Cycle, Primary Clarifier No:1 overflow water having TDS of around 700 - 900 ppm used for bagasse washing in the back water clarification system was partially replaced with Process Condensate from Soda Recovery Plant having TDS of around 100 - 150 ppm.

Plant scale R&D trials were successfully completed to optimize mixed liquor suspended solids level in the activated sludge lagoon to reduce the generation of waste activated sludge without affecting the performance of wastewater treatment. This has resulted in lesser sludge generation, disposal issue, decanter running hours and chemical consumption.

One of the anaerobic lagoons was isolated to remove the accumulated sludge in the lagoon. This has reduced the suspended solids carryover and eliminated the need for ferrous chloride addition, reduced the TDS level, cost and decanter running hours.

## **II. BENEFITS DERIVED AS A RESULT OF ABOVE R&D STUDIES**

- Tissue culture protocol was standardized for three number of Eucalyptus hybrids clones viz. 316, TC1 and 2135.
- Optimization of enzyme dosage to minimize starch soup viscosity variation in the size press improved paper machine runnability.
- Higher dosage of ash content (50:50 GCC:PCC) improved the printing properties like fast ink drying, print quality, reduced show through and improved scattering coefficient.
- Introduction of PAC as the anionic trash quencher resulted in consistent high first pass ash retention and good paper machine runnability.
- New product namely "GreenPal" which has zero wood virgin fibre was developed and introduced in market.
- Reduced water consumption, wastewater discharge, cost and pollution load and improved wastewater quality in terms of suspended solids and dissolved solids.
- Reduced secondary sludge generation, disposal & cost, decanter running hours, maintenance cost and chemical consumption.

## **III. FUTURE PROJECTS**

### **Value addition to waste**

- Studies are initiated to utilize the bagasse pith for value added products like second generation fuel alcohol, biochar, particle board and panel etc.

### **Process improvement**

- Effective use of condensate from recovery cycle in the pulp mill and backwater system to reduce the NPE build-up in the recovery cycle.
- Implementation of Chloride Removal System for SRP to reduce the NPE in recovery cycle.

### **Environmental improvement**

- Identification of alternate process or chemical to minimize sodium silicate from De-inking plant process to reduce SAR and TDS value in the wastewater.
- Optimization of milk of lime to reduce the TDS level in the high BOD stream.
- Recycling of Bagasse ECF EOP filtrate in the Post Oxygen press Washer no. 2 (POW2) to reduce colour and TDS level in the wastewater.
- Phyto-remediation using aquatic macro-phytes for wastewater colour removal.
- Co-digestion of waste activated sludge with bagasse wash water.



**IV Expenditure on R&D****(Rs. In lakhs)**

a) Capital	5.04
b) Recurring	606.56
c) Total	611.60
d) Total R&D expenditure as a percentage on turnover	0.29%

**I ( C ) FOREIGN EXCHANGE EARNINGS****a. Activities relating to Exports**

During the year , the company exported 72815 Mts. of Printing and Writing Paper valued at Rs.388.59 crores to 35 countries including Armenia, Australia, Brazil, Bulgaria, Egypt, Eritrea, Ethiopia, Ghana, Indonesia, Iran, Jordan, Kenya, Kuwait, Malaysia, Nigeria, Senegal, South Africa, Sri Lanka, Sudan, Thailand, Tunisia, Turkey, Uganda, Yemen, etc.

**b. Foreign Exchange Earnings****(Rs. In lakhs)**

Export of PWP (C&F value)	38858.85
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**I (D) FOREIGN EXCHANGE OUTGO****a. Imports (on CIF basis)****(Rs. In lakhs)**

Raw materials	10776.72
Components, Spare parts & Chemicals	4933.67
Imported coal	29954.49
Capital goods:	
Unit 1	826.03
Unit 2	24332.86

**Total****70823.77****b. Other than imports****(Rs. In lakhs)**

Engineering & Supervision charges	141.76
Interest	699.20
Repayment of foreign currency loan (Long Term)	17488.49
Others	264.33
<b>Total</b>	<b><u>18593.78</u></b>

**Form A**  
(See Rule 2)

**A. POWER AND FUEL CONSUMPTION****1. Power**

S.NO	PARTICULARS	UOM	2014-2015 Current year	2013-2014 Previous year
(a)	Purchased			
	Unit	Lakh KWH	<b>89.91</b>	45.06
	Energy Charges	Rs.in lakhs	<b>525.91</b>	327.32
	MD & Other Charges	"	<b>420.20</b>	621.41
	Total Charges	"	<b>946.10</b>	948.74
	Rate/Unit ( Excluding MD&Other Charges)	Rupees	<b>5.85</b>	7.26
(b)	Own Generation			
	(i) Through Steam Turbine/ Generator			
	Units generated	Lakh KWH	<b>6208.84</b>	5650.80
	Cost / Unit (Variable Cost)	Rupees	<b>2.74</b>	3.01
	Units Consumed	Lakh KWH	<b>5841.57</b>	5532.06
	Cost / Unit (Variable Cost)	Rupees	<b>2.67</b>	2.98
	Units sold	Lakh KWH	<b>367.27</b>	118.74
	Cost / Unit (Variable Cost)	Rupees	<b>3.81</b>	4.18
	(ii) Through Wind Turbine Generator	Lakh KWH	<b>469.20</b>	522.07
	Cost / Unit (Total Cost)	Rupees	<b>2.14</b>	2.07

**2. Fuel Consumed #**

SL. NO.	PARTICULARS	2014-2015			2013-2014		
		Qty (MT)	Total cost Rs. in lakhs	Avg rate Rs.	Qty (MT)	Total cost Rs. in lakhs	Avg rate Rs.
	<b>Fuel Purchased</b>						
A	Indigenous Coal	<b>12041</b>	<b>481.83</b>	<b>4002</b>	13882	562.85	4054
B	Imported Coal	<b>452024</b>	<b>20926.52</b>	<b>4630</b>	413431	20796.02	5030
C	Raw Lignite	-	-	-	1626	39.02	2400
D	Furnace Oil (Kilo Litre)	<b>12983</b>	<b>4562.92</b>	<b>35144</b>	16235	6960.68	42875
E	Agro Fuel	<b>1062</b>	<b>51.21</b>	<b>4824</b>	380	17.25	4540
	<b>Fuel - Internal Generation</b>						
F	Pith	<b>160648</b>			84487		
G	MLSS Pith	<b>0</b>			2566		
H	Wood Bark / Dust	<b>7990</b>			9078		
I	Black Liquor Solids	<b>450952</b>			475281		
J	Bio Methane Gas - 000 M3	<b>9145</b>			9611		

# Includes Fuel consumed for the Inhouse Power sold.



**B. CONSUMPTION PER UNIT OF PRODUCTION OF CEMENT / PAPER**

S.No.	PARTICULARS	UOM	Current year (1)		Previous year (2)	
			CEMENT	P&WP	CEMENT	P&WP
(a)	Electricity	KWH	180	1457	174	1376
(b)	Ind.Coal	Kg		32		36
(c)	Imp.Coal	Kg	254	962	214	941
(d)	Raw Lignite	Kg		0		4
(e)	Furnace Oil	Ltr		34		42
(f)	Agro Fuel	Kg		24		25
(g)	Pith	Kg		426		219
(h)	MLSS Pith	Kg		0		7
(i)	Black Liquor Solids	Kg		1206		1236
(j)	Bio-Methane Gas	M <sup>3</sup>		24		25

**ANNEXURE IV****Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31<sup>st</sup> March, 2015**

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the  
Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

1	CIN	L22121TN1979PLC007799
2	Registration Date	16 <sup>th</sup> April 1979
3	Name of the Company	Tamil Nadu Newsprint and Papers Limited
4	Category / Sub-Category of the Company	Public Company limited by shares
5	Address of the Registered office and contact details	67, Mount Road, Guindy, Chennai – 600 032. Phone: 044-2230 1094-97, 22354415-16 & 18 Email : invest_grievances@tnpl.co.in
6	Whether listed company      Yes / No	Yes
7	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Cameo Corporate Services Ltd. V Floor, Subramanian Building, No.1 Club House Road, Chennai – 600 002 Tel.No.044-28460390-28460395 Fax No. 044-28460129 E-mail : cameo@cameoindia.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

Sl. No.	Name and Description of main products / services	NIC Code of the Product / service	% to total turnover of the company
1.	Printing and Writing Paper	1701	95.43%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No.	NAME AND ADDRESS OF THE COMPANY	CIN/GLN	HOLDING/ SUBSIDIARY/ ASSOCIATE	% OF SHARES HELD	APPLICABLE SECTION
1	N.A	N.A	N.A	N.A	N.A

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)****i) Category-wise Share Holding**

Category of Shareholders	No. of Shares held at the beginning of the year As on 1 <sup>st</sup> April, 2014				No. of Shares held at the end of the year As on 31 <sup>st</sup> March, 2015				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
a) Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt (s)	24444900	0	24444900	35.32	24444900	0	24444900	35.32	0.00
d) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A)(1):-</b>	<b>24444900</b>	<b>0</b>	<b>24444900</b>	<b>35.32</b>	<b>24444900</b>	<b>0</b>	<b>24444900</b>	<b>35.32</b>	<b>0.00</b>
<b>(2) Foreign</b>									
a) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
<b>Sub-total (A)(2):-</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total shareholding of Promoter (A)= (A)(1)+(A)(2)</b>	<b>24444900</b>	<b>0</b>	<b>24444900</b>	<b>35.32</b>	<b>24444900</b>	<b>0</b>	<b>24444900</b>	<b>35.32</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	6621605	12800	6634405	9.59	6250917	12800	6263717	9.05	(0.54)
b) Banks / FI	572574	1400	573974	0.83	513842	1400	515242	0.75	(0.08)
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	942820	1865760	2808580	4.06	942820	1865760	2808580	4.06	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	10495222	400	10495622	15.16	10191504	400	10191904	14.73	(0.43)
g) FIIs	6107163	0	6107163	8.82	7231743	0	7231743	10.45	1.62
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)				0.00				0.00	
i) a. Foreign Portfolio Investor	0	0	0	0.00	51320	0	51320	0.07	0.07
<b>Sub-total (B)(1):-</b>	<b>24739384</b>	<b>1880360</b>	<b>26619744</b>	<b>38.46</b>	<b>25182146</b>	<b>1880360</b>	<b>27062506</b>	<b>39.10</b>	<b>0.64</b>

Category of Shareholders	No. of Shares held at the beginning of the year As on 1 <sup>st</sup> April, 2014				No. of Shares held at the end of the year As on 31 <sup>st</sup> March, 2015				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>2. Non Institutions</b>									
a) Bodies Corp.	5264981	179980	5444961	7.87	3296637	179980	3476617	5.02	(2.85)
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	5745332	482858	6228190	9.00	6054881	460892	6515773	9.41	0.41
ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	5359271	0	5359271	7.74	6723219	0	6723219	9.71	1.97
c) Others (specify)									
(c1) Clearing Members	30654	0	30654	0.04	74522	0	74522	0.11	0.07
(c2) Hindu Undivided Families	488009	0	488009	0.71	479384	0	479384	0.70	(0.01)
(c3) Non Resident Indians	559670	33700	593370	0.86	400078	32100	432178	0.62	(0.24)
(c4) Trusts	1501	0	1501	0.00	1501	0	1501	0.00	0.00
<b>Sub-total (B)(2):-</b>	<b>17449418</b>	<b>696538</b>	<b>18145956</b>	<b>26.22</b>	<b>17030222</b>	<b>672972</b>	<b>17703194</b>	<b>25.58</b>	<b>(0.64)</b>
<b>Total Public Shareholding (B)= (B)(1)+(B)(2)</b>	<b>42188802</b>	<b>2576898</b>	<b>44765700</b>	<b>64.68</b>	<b>42212368</b>	<b>2553332</b>	<b>44765700</b>	<b>64.68</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>66633702</b>	<b>2576898</b>	<b>69210600</b>	<b>100</b>	<b>66657268</b>	<b>2553332</b>	<b>69210600</b>	<b>100</b>	<b>0.00</b>

**(ii) Shareholding of Promoters**

Sl No.	Shareholder's Name	Shareholding at the beginning of the year As on 1 <sup>st</sup> April, 2014			Share holding at the end of the year As on 31 <sup>st</sup> March, 2015			
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	% change in share holding during the year
1.	Governor of Tamil Nadu	24444900	35.32	0.00	24444900	35.32	0.00	0.00

**(iii) Change in Promoters' Shareholding (please specify, if there is no change)**

Sl. No.		Shareholding at the beginning of the year As on 1 <sup>st</sup> April, 2014		Shareholding at the end of the year As on 31 <sup>st</sup> March, 2015	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	At the beginning of the year	No change during the year			
2.	Date wise Increase / Decrease in Promoters Share holding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ sweat equity etc):	No change during the year			
3.	At the End of the year	No change during the year			

**(iv) Shareholding Pattern of top ten Shareholders**

(other than Directors, Promoters and Holders of GDRs and ADRs):

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1	LIFE INSURANCE CORPORATION OF INDIA				
	At the beginning of the year 01-Apr-2014	6891158	9.9567	6891158	9.9567
	At the end of the Year 31-Mar-2015	6891158	9.9567	6891158	9.9567
2	HDFC TRUSTEE COMPANY LIMITED - HDFC PRUDENCE FUND				
	At the beginning of the year 01-Apr-2014	3981634	5.7529	3981634	5.7529
	At the end of the Year 31-Mar-2015	3981634	5.7529	3981634	5.7529
3	WARBURG VALUE FUND				
	At the beginning of the year 01-Apr-2014	3500000	5.0570	3500000	5.0570
	At the end of the Year 31-Mar-2015	3500000	5.0570	3500000	5.0570
4	HDFC TRUSTEE COMPANY LTD HDFC MF MONTHLY INCOME PLAN LONG TERM PLAN				
	At the beginning of the year 01-Apr-2014	2238648	3.2345	2238648	3.2345
	At the end of the Year 31-Mar-2015	2238648	3.2345	2238648	3.2345

Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
5	GENERAL INSURANCE CORPORATION OF INDIA At the beginning of the year 01-Apr-2014 At the end of the Year 31-Mar-2015	2110074 2110074	3.0487 3.0487	2110074 2110074	3.0487 3.0487
6	GOVERNMENT PENSION FUND GLOBAL At the beginning of the year 01-Apr-2014 Sale 30-May-2014 Purchase 13-Jun-2014 At the end of the Year 31-Mar-2015	1950000 -40000 160000 2070000	2.8174 0.0577 0.2311 2.9908	1950000 1910000 2070000 2070000	2.8174 2.7596 2.9908 2.9908
7	BAJAJ ALLIANZ LIFE INSURANCE COMPANY LTD.* At the beginning of the year 01-Apr-2014 Sale 30-Jun-2014 Sale 08-Aug-2014 Sale 27-Feb-2015 Sale 06-Mar-2015 Sale 27-Mar-2015 At the end of the Year 31-Mar-2015	814355 -100000 -60000 -300000 -100000 -35355 219000	1.1766 0.1444 0.0866 0.4334 0.1444 0.0510 0.3164	814355 714355 654355 354355 254355 219000 219000	1.1766 1.0321 0.9454 0.5119 0.3675 0.3164 0.3164
8	HDFC STANDARD LIFE INSURANCE COMPANY LIMITED* At the beginning of the year 01-Apr-2014 Sale 13-Jun-2014 Sale 20-Jun-2014 Sale 06-Feb-2015 At the end of the Year 31-Mar-2015	813436 -38436 -75000 -700000 0	1.1753 0.0555 0.1083 1.0114 0.0000	813436 775000 700000 0 0	1.1753 1.1197 1.0114 0.0000 0.0000
9	UNITED INDIA INSURANCE COMPANY LIMITED At the beginning of the year 01-Apr-2014 At the end of the Year 31-Mar-2015	683213 683213	0.9871 0.9871	683213 683213	0.9871 0.9871
10	THE NEW INDIA ASSURANCE COMPANY LIMITED At the beginning of the year 01-Apr-2014 Sale 23-May-2014 Sale 30-May-2014 Sale 06-Jun-2014 Sale 13-Jun-2014 Sale 20-Jun-2014 Sale 30-Jun-2014 Sale 04-Jul-2014 At the end of the Year 31-Mar-2015	670404 -19367 -29685 -10000 -40000 -3074 -37387 -23832 507059	0.9686 0.0279 0.0428 0.0144 0.0577 0.0044 0.0540 0.0344 0.7326	670404 651037 621352 611352 571352 568278 530891 507059 507059	0.9686 0.9406 0.8977 0.8833 0.8255 0.8210 0.7670 0.7326 0.7326
11	PRASHANT JAYANTILAL PATEL At the beginning of the year 01-Apr-2014 Sale 25-Apr-2014 Sale 06-Jun-2014 Purchase 25-Jul-2014 Sale 27-Mar-2015 At the end of the Year 31-Mar-2015	613854 -330444 -283410 30000 -30000 0	0.8869 0.4774 0.4094 0.0433 0.0433 0.0000	613854 283410 0 30000 0 0	0.8869 0.4094 0.0000 0.0433 0.0000 0.0000



Sl. No.	Name of the Shareholder	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
12	ANIL KUMAR GOEL**				
	At the beginning of the year 01-Apr-2014	0	0.0000	0	0.0000
	Purchase 18-Apr-2014	330000	0.4768	330000	0.4768
	Purchase 09-May-2014	40200	0.0580	370200	0.5348
	Purchase 16-May-2014	1581	0.0022	371781	0.5371
	Purchase 23-May-2014	70	0.0001	371851	0.5372
	Purchase 30-May-2014	149	0.0002	372000	0.5374
	Purchase 06-Jun-2014	4000	0.0057	376000	0.5432
	Purchase 13-Jun-2014	54000	0.0780	430000	0.6212
	Purchase 11-Jul-2014	63000	0.0910	493000	0.7123
	Purchase 18-Jul-2014	17000	0.0245	510000	0.7368
	Purchase 04-Sep-2014	100000	0.1444	610000	0.8813
	Purchase 20-Mar-2015	80000	0.1155	690000	0.9969
	Purchase 27-Mar-2015	10000	0.0144	700000	1.0114
	At the end of the Year 31-Mar-2015	700000	1.0114	700000	1.0114
13	ELARA CAPITAL PLC A/C ELARA GLOBAL FUNDS - ELARA EMERGING MARKETS FUND**				
	At the beginning of the year 01-Apr-2014	348700	0.5038	348700	0.5038
	Purchase 04-Apr-2014	21500	0.0310	370200	0.5348
	Purchase 08-Aug-2014	60000	0.0866	430200	0.6215
	Purchase 12-Sep-2014	36783	0.0531	466983	0.6747
	Purchase 30-Sep-2014	25000	0.0361	491983	0.7108
	Purchase 10-Oct-2014	5000	0.0072	496983	0.7180
	Purchase 17-Oct-2014	95000	0.1372	591983	0.8553
	Purchase 19-Dec-2014	42209	0.0609	634192	0.9163
	Purchase 02-Jan-2015	15000	0.0216	649192	0.9379
	Purchase 06-Mar-2015	4209	0.0060	653401	0.9440
	At the end of the Year 31-Mar-2015	653401	0.9440	653401	0.9440
14	PANKAJ JAYANTILAL PATEL**				
	At the beginning of the year 01-Apr-2014	242607	0.3505	242607	0.3505
	Purchase 25-Apr-2014	330444	0.4774	573051	0.8279
	Purchase 06-Jun-2014	115560	0.1669	688611	0.9949
	Sale 30-Sep-2014	-130000	0.1878	558611	0.8071
	Sale 19-Dec-2014	-24100	0.0348	534511	0.7722
	Sale 31-Dec-2014	-85000	0.1228	449511	0.6494
	Sale 13-Feb-2015	-30000	0.0433	419511	0.6061
	Purchase 06-Feb-2015	30000	0.0433	449511	0.6494
	Sale 13-Feb-2015	-30000	0.0433	419511	0.6061
	Purchase 20-Mar-2015	3000	0.0043	422511	0.6104
	Purchase 27-Mar-2015	215264	0.3110	637775	0.9214
	Sale 31-Mar-2015	-24544	0.0354	613231	0.8860
	At the end of the Year 31-Mar-2015	613231	0.8860	613231	0.8860

\* Ceased to be in the list of Top 10 shareholders as on 31/3/2015. However, since the name of the shareholder falling in the list of top 10 shareholders as on 1/4/2014, the same is appearing in the above table.

\*\* Not in the list of Top 10 shareholders as on 1/4/2014. However, since the name of the shareholder falling in the list of top 10 shareholders as on 31/3/2015, the same is appearing in the above table.

**(v) Shareholding of Directors and Key Managerial Personnel:**

Sl.No	Name of the Directors and KMP	Shareholding at the beginning of the year (As on 1 <sup>st</sup> April, 2014)		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Thiru C V Sankar IAS Chairman & Managing Director At the beginning of the year Date wise Increase/Decrease At the end of the year	- - -	- - -	- -	- -
2.	Thiru T Udhayachandran IAS Director At the beginning of the year Date wise Increase/Decrease At the end of the year	- - -	- - -	- -	- -
3.	Thiru Mahesan Kasirajan IAS Director At the beginning of the year Date wise Increase/Decrease At the end of the year	- - -	- - -	- -	- -
4.	Thiru A Velliangiri Deputy Managing Director At the beginning of the year Date wise Increase/Decrease At the end of the year	- - -	- - -	- -	- -
5.	Thiru R Mani Director (Operations) At the beginning of the year Date wise Increase/Decrease At the end of the year	200 - -	0.00 - -	200	0.00
6.	Thiru V Narayanan Director At the beginning of the year Date wise Increase/Decrease At the end of the year	- - -	- - -	- -	- -
7.	Thiru N Kumaravelu Director At the beginning of the year Date wise Increase/Decrease At the end of the year	- - -	- - -	- -	- -
8.	Thiru M R Kumar Director At the beginning of the year Date wise Increase/Decrease At the end of the year	- - -	- - -	- -	- -
9.	Thiru V Nagappan Director At the beginning of the year Date wise Increase/Decrease At the end of the year	- - -	- - -	- -	- -
10.	Tmt Sarada Jagan Director At the beginning of the year Date wise Increase/Decrease At the end of the year	- - -	- - -	- -	- -
11.	Thiru V Sivakumar Company Secretary At the beginning of the year Purchase 25th July 2014 At the end of the year	- 10 -	- 0.00 -	10	0.00

**V. INDEBTEDNESS**

Indebtedness of the Company(Long Term Loans) including interest outstanding/accrued but not due for payment

(Rs. in Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	94321	8150	-	102471
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	553	75	-	628
<b>Total (i+ii+iii)</b>	<b>94874</b>	<b>8225</b>	<b>-</b>	<b>103099</b>
<b>Change in Indebtedness during the financial year</b>				
• Addition	91844	-	-	91844
• Reduction*	(30870)*	(4154)	-	(35024)
<b>Net Change</b>	<b>60974</b>	<b>(4154)</b>	<b>-</b>	<b>56820</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	155004	4033	-	159037
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	844	38	-	882
<b>Total (i+ii+iii)</b>	<b>155848</b>	<b>4071</b>	<b>-</b>	<b>159919</b>

\* Includes exchange fluctuation on Long Term Foreign Currency Loan.

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL****A. Remuneration to Managing Director, Whole-time Directors and / or Manager:**

(Rs. in Lakh)

S. No	Particulars of Remuneration	Thiru. C.V.Sankar IAS Chairman and Managing Director	Thiru. A. Velliangiri Deputy Managing Director	Thiru. R.Mani Director (Operations)	Total Amount
1	<b>Gross salary</b>				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	30.45	17.15	47.60
	(b) Value of perquisites under section 17(2) Income-tax Act, 1961	-	2.55	4.35	6.90
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-	-	-
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission				
	- as % of profit	-	-	-	-
	- Others, specify	-	-	-	-
5	Others, please specify	-	-	-	-
	<b>Total (A)</b>	<b>-</b>	<b>33.00</b>	<b>21.50</b>	<b>54.50</b>
	Ceiling as per the Act (10% of Net Profit)				2308.17

**B.REMUNERATION TO OTHER DIRECTORS**

(Rs. in Lakh)

Sl. no	Particulars of Remuneration	Name of Directors					Total Amount
1.	Independent Directors	Thiru V Narayanan	Thiru N Kumaravelu	Thiru M R Kumar	Thiru V Nagappan	Tmt. Sarada Jagan	
	• Fee for attending board committee meetings	3.15	2.85	2.25	2.85	2.10	13.20
	• Commission	-	-	-	-	-	-
	• Others, please specify	-	-	-	-	-	-
	<b>Total (1)</b>						<b>13.20</b>

Sl. no	Particulars of Remuneration	Name of Directors		Total Amount
2.	Other Non-Executive Directors	Thiru Mahesan Kasirajan IAS	Thiru T Udhayachandran IAS	
	• Fee for attending board committee meetings	1.05	0.45	1.50
	• Commission	-	-	-
	• Others, please specify	-	-	-
<b>Total (2)</b>				<b>1.50</b>
<b>Total (B)=(1+2)</b>				<b>14.70</b>
<b>Total Managerial Remuneration (A)+(B)</b>				<b>69.20</b>
<b>Overall Ceiling as per the Act (11% of Net Profit)</b>				<b>2538.99</b>

**C.REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD**

(Rs. in Lakh)

Sl. no	Particulars of Remuneration	Key Managerial Personnel	
		Thiru V.Sivakumar Company Secretary	Total
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	13.65	13.65
	(b) Value of perquisites under section 17(2) Income-tax Act, 1961	3.41	3.41
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit	-	-
	- Others, specify	-	-
5	Others, please specify	-	-
	<b>Total</b>	<b>17.06</b>	<b>17.06</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD/NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b> Penalty Punishment Compounding			NONE		
<b>B. DIRECTORS</b> Penalty Punishment Compounding			NONE		
<b>C. OTHER OFFICERS IN DEFAULT</b> Penalty Punishment Compounding			NONE		



## Annexure V

### Disclosure pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

The information required under Section 197 of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

**a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year\*:**

Sr. No.	Name of Director	Designation	Ratio to median remuneration
1.	Tvl.C. V. Sankar, IAS	Chairman and Managing Director	-
2.	A Velliangiri	Deputy Managing Director & Chief Financial Officer	5.79
3.	R Mani	Director(Operations)	3.77

**b. the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year \*:**

Sr. No.	Name	Designation	%increase in remuneration in the financial year
1.	Tvl. C. V. Sankar, IAS	Chairman and Managing Director, (i.e. Chief Executive Officer)	N.A.
2.	A Velliangiri	Deputy Managing Director & Chief Financial Officer	13.28
3.	R Mani	Director(Operations)	3.97
4.	V. Sivakumar	Company Secretary	16.35

\*Note: The Non-Executive Directors of the Company are entitled for sitting fee as per the statutory provisions and within the limits prescribed under Companies Act, 2013 and Rules made there under. The details of remuneration of Non-Executive Directors are provided in the Corporate Governance Report. The ratio of remuneration and percentage increase for Non-Executive Directors Remuneration is therefore not considered for the purpose above.

**c. The percentage increase in the median remuneration of employees in the financial year: 15.56%**

**d. The number of permanent employees on the rolls of company: 2081**

**e. The explanation on the relationship between average increase in remuneration and company performance:**

The average increase in median remuneration is 15.56% whereas the PBT has been increased 13.54% in comparison to last year's PBT. Hence, increase in remuneration is in line with the growth/performance of the Company.

**f. Comparison of the remuneration of the Key Managerial Personnel against the performance of the company:**

Aggregate remuneration of key managerial personnel (KMP) in FY15 (Rs. in Lacs)	71.56
Revenue (Rs. in Lacs)	215237.04
Remuneration of KMPs (as% of revenue)	0.0332
Profit before Tax (PBT) ( Rs. in Lacs)	23012.53
Remuneration of KMP (as % of PBT)	0.3110

- g. Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year:**

Particulars	March 31, 2015	March 31, 2014	% Change
Market Capitalisation (in Rs.)	855,78,90,690	887,62,59,450	-3.59%
Price Earnings Ratio	5.13	5.51	-6.90%

- h. Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer:**

Particulars	March 31, 2015	November 27, 1995	% Change
Market Price (BSE)	123.65	110.00	12.41%
Market Price (NSE)	126.15	110.00	14.68%

- i. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:**

The average increase in salaries of employees excluding KMPs is 16.93% whereas the KMPs remuneration is increased by only 10.41%. The increase in remuneration of KMPs is much less than the average increase in salaries of employees excluding KMPs.

- j. Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company:**

	Thiru C.V. Sankar, IAS, Chairman & Managing Director and Chief Executive Officer	Thiru A. Velliangiri, Deputy Managing Director and Chief Financial Officer	Thiru R. Mani, Director (Operations)	Thiru V. Sivakumar, Company Secretary
Remuneration in FY15 (Rs. In Lacs)	NIL	33.00	21.50	17.06
Revenue (Rs. In Lacs)	215237.04			
Remuneration as % of revenue	NIL	0.0153	0.0100	0.0079
Profit before Tax (PBT) (Rs. In Lacs)	23012.53			
Remuneration (as % of PBT)	NIL	0.1434	0.0934	0.0741

- k. The key parameters for any variable component of remuneration availed by the directors:**

There is no variable component of remuneration paid to the directors.

- l. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year:**

None.

- m. Affirmation that the remuneration is as per the remuneration policy of the company:**

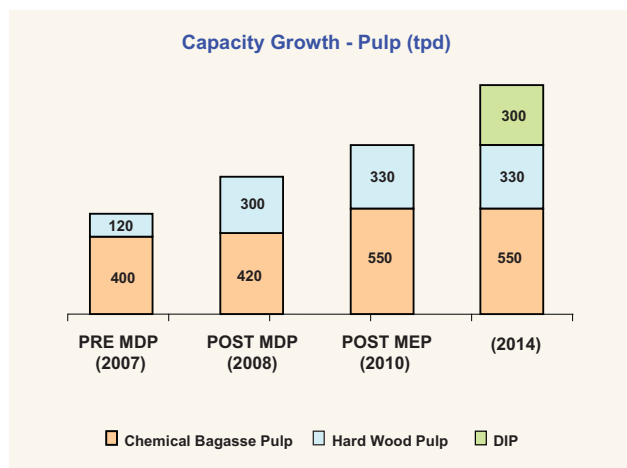
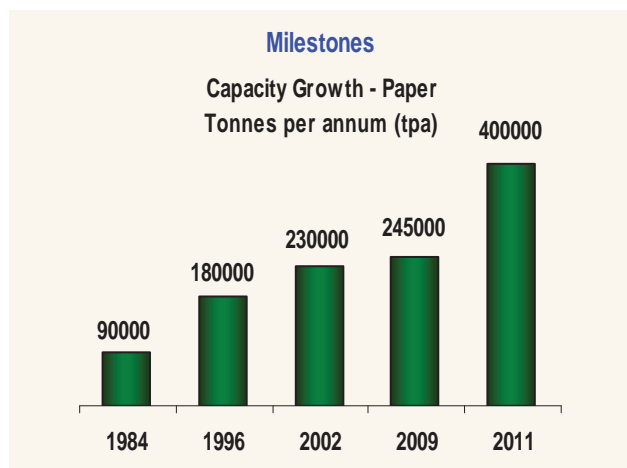
The Company affirms that the remuneration is as per the remuneration policy of the Company.

## Annexure VI

### MANAGEMENT DISCUSSION AND ANALYSIS

#### I. INTRODUCTION

Tamil Nadu Newsprint and Papers Limited (TNPL) was promoted by the Government of Tamil Nadu in the year 1979 to produce Newsprint and Printing & Writing Paper (PWP) using bagasse as the primary raw material. The factory is located at Pugalur in Karur District. The plant was commissioned in 1984 with an initial capacity of 90,000 tons per annum. Since then, the company has enhanced the capacity to 4,00,000 tonnes per annum in four phases. In tandem, the pulping capacity has been increased from 300 tonnes per day (tpd) in 1984 to 1,180 tonnes per day as of date.



#### II. INDUSTRY SCENARIO

India holds 15<sup>th</sup> rank among paper producing countries in the world. Total installed capacity is approximately 12.75 million tonnes. The per capita consumption of paper is around 11 Kgs. against the global average of 56 Kgs. and Asian average of 40 Kgs. The industry is fragmented with over 750 paper mills, of which only 50 mills have a capacity of 50,000 tpa or more. The industry is working at 89% capacity utilization. India's share in world paper production is about 2.6%

The current demand is estimated at 13.10 million tonnes with domestic production of 11.38 million tons, export of 0.53 million tones and import of 2.25 million tons. The demand is projected to increase to 23.50 million tonnes by 2024-25. India is the fastest growing market for paper in the world with a growth rate of about 6% per year. Increase of per capita paper consumption by 1 kg will increase the demand by about 1.25 million tonnes per annum.

#### III. STRATEGY

TNPL's operational and financial performance is one of the best in the Indian Paper Industry. TNPL's success is largely related to the following strategies:

1. Sustainable growth
2. Efficient cost management
3. Financial re-engineering
4. Customer centric
5. Innovation
6. Management of Human Resources

##### 1. Sustainable Growth:

TNPL has grown from an initial capacity of 90,000 tpa in 1984 to 4,00,000 tpa in 2011 in tandem with the Industry growth. Currently TNPL enjoys the fourth position in installed capacity and second position in production of printing and writing paper in the country. The company has three paper machines each with a capacity of 1,15,000 tpa., 1,30,000 tpa and 1,55,000 tpa respectively. Every phase of growth is supported by the state-of-the-art technology and equipment quality of global standards. TNPL has installed many equipments as First time in the Industry.

##### 2. Efficient Cost Management

TNPL has implemented several cost saving measures to keep the cost at the optimum level. TNPL has benchmarked the entire operations with Best Practices in the Industry. Self-sufficiency in power, filler materials and pulp have improved the competitive edge of the company.

Continuous focus on process improvement, machine and labour productivity and cost control measures have made the company the least – cost producer of paper in the country.

##### 3. Financial re-engineering

TNPL has implemented a sound Forex Risk Policy. The expansion schemes are funded through an appropriate mix of internal generation and borrowed funds taking into account the anticipated cash generation from the existing assets and the new expansion schemes.

High cost loans are replaced with lost cost loans. Continuous monitoring and readjusting of loan portfolio have facilitated the company to keep the average cost of borrowing as low as possible. The average cost of loan outstanding as on 31.3.2015 is 10.09% (31.3.2014: 9.28%). The average cost of loan has increased marginally due to repayment of old low cost loans as per amortization schedule. The company has repaid all term loans on due dates.

#### 4. Customer Centric

Quality is a way of life in TNPL. The quality control team constantly checks the consistency in quality. A functional team consisting of executives from production, quality control and marketing conduct surveys to check customer satisfaction level.

TNPL is an ISO 9001 & ISO 14001 certified company. TNPL is the largest exporter of printing and writing paper in the country. TNPL has exported 72815 mts of PWP to 35 countries during the year.

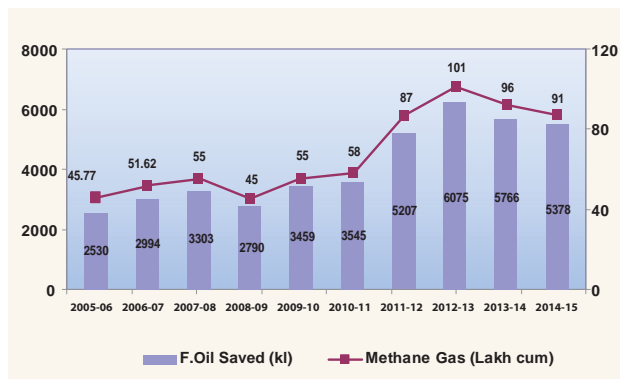
Customer complaints are given utmost priority for redressal. Consistency in quality, transparency in pricing and prompt delivery have made TNPL a household name amongst domestic and export customers.

#### 5. Innovation:

TNPL is built on the concept that the environment must be protected for the benefit of present and future generations. TNPL has perfected the technology of manufacturing newsprint and printing and writing paper from bagasse, a waste product of the sugar industry. This is an outstanding innovation. TNPL procures bagasse from sugar mills by entering into long term agreements in exchange of steam on barter basis. This is a unique system practiced successfully for over 30 years.

TNPL has set up a 600 tpd. Cement plant for producing high grade cement from mill waste materials viz Lime Sludge and Fly ash. TNPL is the First Mill in the country to have set up a cement plant for producing cement from wastes generated in the process of manufacturing paper.

Two bio-methanation plants set up within the factory premises have generated cumulatively 91.71 lakh m<sup>3</sup> of methane gas during 2014 - 2015. The methane gas is used in two lime kilns in replacement of furnace oil. With this arrangement, TNPL has saved consumption of 5378 kl of high cost furnace oil during 2014-15. TNPL registered the project with UNFCCC during 2006 as the Country's First CDM Project in the waste management sector.



TNPL is the First Company in the Paper Industry to have established a separate bio-technology and bio-energy Research Centre to develop tissue culture seedlings to be used as mother plants in its farm forestry and captive plantation schemes.

A Tertiary treatment of effluent by 'ozonation', a First of its kind in the Indian Paper Industry was introduced during 2010 to improve dissolved oxygen in the effluent and to reduce colour.

#### 6. Management of Human Resources

TNPL's vision is translated into reality by its team of dedicated executives, staff and workmen. Training is imparted to improve the knowledge and skill level of employees at all levels. Senior Executives are sent to management programmes conducted by leading Management Institutes.

The company has implemented a periodical performance appraisal system. Key Performance Indicators (KPI) are set for the organisation, the departments and the senior executives at the beginning of each year and appraisal is carried out at periodical intervals.

A Knowledge Management Portal has been created as an in-house facility for the benefit of all employees.

### IV.THE SUCCESS DRIVERS

#### Environment Management

Environment improvement is a priority area for TNPL. Continuous studies are undertaken to reduce the water consumption and improve the quality of effluent. Compliance to pollution control norms and CREP regulations are strictly adhered to.

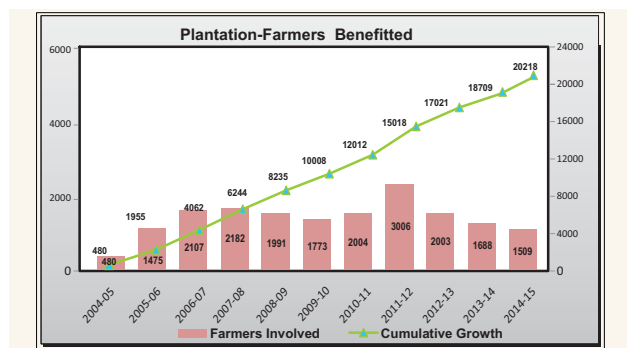
#### Raw material Management: Bagasse

TNPL is the largest producer of paper from bagasse (a waste product in the sugar industry). TNPL uses about 1 million tonnes of depithed bagasse for producing 4,00,000 MT of Printing & Writing Paper. TNPL sources bagasse from sugar mills on barter basis in exchange of steam. Long term agreements have been entered into with eight sugar mills in the State for sourcing bagasse in exchange of steam. Shortfall, is met through open market purchases.

### Raw material management: Pulpwood

To improve the availability of pulpwood, TNPL has implemented two plantation programmes i.e., Farm Forestry & Captive Plantation. High-yielding seedlings and clones are supplied to farmers at subsidised rates. TNPL guarantees farmers purchase of pulpwood at market price.

TNPL has added 5,783 acres of plantations during the year. Since the introduction of the schemes in 2004-05, TNPL has raised in 1,05,968 acres of land involving 20,218 farmers.



TNPL plantation programmes started yielding benefits from 2009-10. TNPL has procured 73,533 MT of pulpwood from plantation sources during the current year and in total 7.42 lakhs of MT since 2009-10 till 2014-15.

Plantation programmes need strong and well-designed infrastructure facilities. TNPL has established India's largest Clonal Propagation & Research Centre (CPRC) within the factory area. During the current year, about 121.67 lakhs quality plants were produced and 112.39 lakhs plants were supplied to the farmers.

### Forest Stewardship Council (FSC) certificate

Forest certification is necessary to confirm that wood is produced in an environmentally and socially sustainable way. Forest Stewardship Council (FSC) issues Forest Management (FM) and Chain of Custody (COC) certificates. FSC certificates guarantee the sourcing of wood and wood based products.

TNPL has received Forest Stewardship council (FSC) Chain of Custody & Controlled Wood Certificate (SW-COC-005007 & SW-CW-005007) for the procurement and manufacturing process. The certificate is valid from 21st July 2010 to 20th July 2015. TNPL also received Forest Management and Chain of Custody Certificate (RA-FM/COC-006000) for farm forestry and captive plantation. This certificate is valid from 6th July 2012 to 5th July 2017. FSC certification is an independent, global and credible label for forest products. During 2014-15, TNPL has produced and sold 3500 MT of FSC certified paper.

### Fuel Management

TNPL uses solid fuel in the power boilers and black liquor in the recovery boiler to generate steam. Black liquor solid has now been recognized as bio-mass. Power generated from the steam produced in the recovery boiler is eligible for Renewable Energy Certificates (RECs). During the year, TNPL has received 127588 RECs. TNPL is the First Company in the Paper Industry to have availed this benefit. Since 16.1.2012 till 31.3.2015,

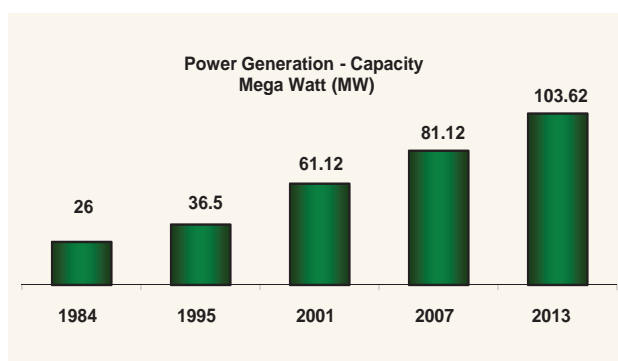
TNPL has generated revenue of Rs. 38.42 cr. through sale of RECs.

### Water Management

TNPL sources water from the river Cauvery. TNPL has installed a series of rain water harvesting structures in the factory campus. With the implementation of various water conservation measures, the overall water consumption is 51 KI per ton of paper- the lowest in the Industry. Continuous efforts are made to further reduce water consumption.

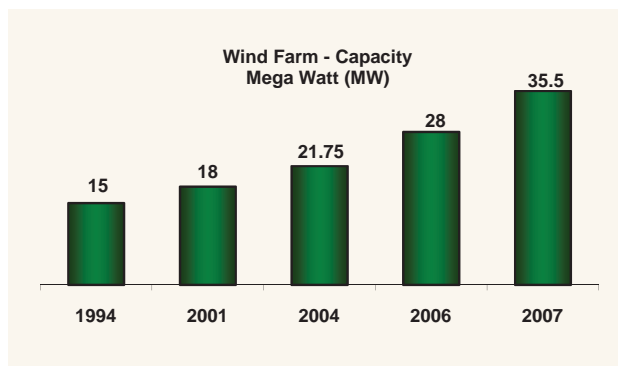
### Energy Management

TNPL has four power boilers and four turbo generators with a total power generation capacity of 103.62 MW.



TNPL is 100% self sufficient in power. Surplus power about 7 MW is exported to TANGEDCO.

TNPL installed its first Wind Farm of 15MW capacity during 1993-94 at Devarkulam and Perungudi in Tirunelveli District. Since then, TNPL has progressively increased its Wind Farm capacity to 35.5 MW.



Wind Power is exported to the grid. A small percentage is wheeled for self consumption.

### Marketing Management

TNPL has stopped producing newsprint as it is uneconomical to produce newsprint from virgin fibre. The Company is utilizing its resources exclusively for production of Printing & Writing Papers. TNPL sells its products across the country. The domestic market is served through a wide network of dealers. The Company has strengthened the network by appointing



more dealers. TNPL exports its products to 35 countries around the world. During the year, the company has exported 72815 MT of printing and writing paper against 65875 MT in the previous year.

### Research and Development

TNPL's R&D is focused to improve operation, cost efficiency, end product quality, lower energy consumption, lower carbon emissions, energy from waste, water conservation & management and influence of environmental sustainability on end product marketing.

To conserve the virgin fibre and wood, TNPL has developed a new product namely "GreenPal" produced using only bagasse pulp and recycled de-inked pulp.

Green-co rating system developed by Confederation of Indian Industry – Sohrabji Godrej Green Business Centre (CII – Godrej GBC) provides a holistic framework to evaluate the performance of a company on environment front. TNPL's R&D wing is coordinating the activity of Green-co rating system. The main assessment is in progress after completion of feasibility study.

### Quality Control

Quality Management in TNPL is a holistic effort involving Marketing, Production and Quality Control departments. Quality control personnel are continuously trained in modern concepts to put them into practice. Customer feedback is given utmost importance.

### Excellence in Corporate Governance

The Institute of Company Secretaries of India (ICSI), New Delhi, conferred on TNPL, the "ICSI National Award for Excellence in Corporate Governance" for the year 2004 recognizing the company's adoption of effective management practices, compliance with law, adherence to ethical standards, distribution of wealth and discharge of social responsibility for the benefit of all stakeholders.

## V. RESOURCES & LIQUIDITY

TNPL funded the first expansion project for doubling the capacity from 90,000 tpa to 1,80,000 tpa implemented during 1993-96 through internal generation, issue of shares and borrowed funds. The capacity expansion from 1,80,000 tpa to 2,45,000 tpa and Life Cycle Extension of Paper Machine I were carried out exclusively through internal generation.

All other projects namely Mill Development Plant, Mill Expansion Plan, setting up a 600 tpd Cement mill under Lime Sludge and Fly Ash Management, setting up a 300 tpd De-inking Plant and revamping of steam & power system were funded through appropriate mix of internal generation and borrowed funds. TNPL has repaid loans on due dates.

Term loans outstanding as on 31.3.2015 is Rs. 1590.37 cr. The working capital loans outstanding as on 31.3.2015 is Rs. 475.26 cr. The weighted average cost of term loan outstanding as on 31.3.2015 is 10.09 %.

## VI OUTLOOK, OPPORTUNITIES AND CHALLENGES

### Newsprint

As manufacture of newsprint is uneconomical, TNPL stopped producing newsprint since 2009. TNPL is unlikely to produce Newsprint in the near future.

### Printing & Writing Paper

Indian Paper Industry market size is estimated at 13.10 million tonnes, consisting of Printing & Writing Paper 4.80 Million tonnes, Newsprint 2.50 Million tonnes, Industrial Paper 5.15 Million tons and Speciality Paper 0.65 Million tons. In the Printing & Writing Paper Segment, uncoated varieties constitute 3.95 Million tons and Coated varieties 0.75 Million tons. Within the uncoated varieties, Creamwove Papers constitute 50% and Surface Sized Grades account for the balance 50%.

### Packaging Boards

The packaging board market size is estimated at 2.40 Million tons. Grey-back Boards constitute 45% and White-back Coated Boards, Folding Box Board, Solid Bleached Sulphate Board and other Specialty Boards account for the balance 55%.

### Opportunities and Challenges

The demand for uncoated Printing & Writing Paper is expected to grow at 6% per annum and high-end Packaging Board at 11.6% per annum. Per capita consumption of paper in India is very low at 11 kgs. Increase in per capita consumption by 1 kg would require additional capacity of about 1.25 Million tonnes. India is considered as the fastest growing market in the paper sector in the world. With consistent growth in demand, there is a good potential for capacity addition and fresh investments in the Industry.

Scarcity of pulpwood resulting in import of wood logs and chips, rising wood prices in the domestic market, poor wastepaper collection and recovery mechanism, growing imports under Free Trade Agreements (FTAs) are some of the major areas of concern for paper industry. These challenges have to be managed through increasing the pulpwood plantations, improving the waste paper collection mechanism and continuous cost control measures.

## VII. KEY PROJECTS IMPLEMENTED /UNDER IMPLEMENTATION:

### PROJECTS IMPLEMENTED

During 2013-14, TNPL completed implementation of the three projects as given below:

- 300 tpd Deinked Pulp line
- Revamping of Steam and Power systems
- Installation of WGCC plant on BOO basis. The PCC plant was implemented on BOO basis during August 2014.

The major benefits accrued due to implementation of the above projects are given hereunder:

- Till 31.3.2015, the company has produced 61977 MT of Deinked pulp substituting equivalent quantity of expensive imported pulp.

- With the revamping of steam and power systems, TNPL has become self-sufficient in power and surplus power 7 MW is exported to TANGEDCO.
- Entire requirement of WGCC and PCC are met from the WGCC and PCC plants set up by M/s.OMYA on BOO basis. This facility has enabled the company to source filler material at cheaper prices.

## PROJECTS UNDER IMPLEMENTATION

### 1. TNPL Unit II - Multilayer Double Coated Paper Board project

TNPL is implementing a state-of-the-art Multilayer double coated board plant of capacity 200,000 MT per annum. 874.46 acres of land has been acquired for this purpose.

TNPL obtained Environment Clearance for the project in February 2014. The civil works which were commenced in April 2014 are in advanced stages of completion. The equipment suppliers have commenced erection works. The 30 MW Power plant works is expected to be completed by October 2015. Erection works of Board machine and other plant and machinery are in progress. It is targeted to commission the Board machine in December 2015.



*Board Machine Construction – Bird's eye view*



*Boiler erection in progress*

### 2. Upgradation of Lime Sludge and Fly Ash Management (LSFM) System – Enhancing cement production capacity from 600 tpd to 900 tpd

As part of Solid wastes management, TNPL set up a cement plant of a capacity of 600 tpd to convert the solid wastes, namely, limesludge and fly ash into high grade cement. Now within two years of commencement of operations,

TNPL is upgrading the capacity to 900 tpd at a capital outlay of Rs.40 cr.

Environment clearance for the project has been obtained. Plant and Machinery required for the project has been ordered. The Project is expected to be completed by December 2015.

### 3. Establishment of Conversion Unit

TNPL is in the process of establishing a Centre for Conversion of Paper and Packaging Board (CCPPB) Unit. TNPL has acquired 38.40 acres of land with an industrial shed from Tamil Nadu Asbestos Pressure Pipe Unit, a unit of TANCEM at Mayanur, Karur district. Notebook conversion units and paper/board related manufacturing facilities and conversion units will be located in this area. This project is also expected to be completed by December 2015.

## VIII. ENVIRONMENT

TNPL is committed to follow Environment friendly process and also to focus on Safety and Health. TNPL has declared policies on Environment, Health & Safety. The main excerpts of the above policies are as follows:

- Compliance with all relevant legislative requirements.
- Reducing Pollution Load in terms of Liquid Discharge, Air Emission and Land Contamination.
- Stimulate rational use of resources through behavioral and technological improvements.
- Minimising waste and maximizing recycling/ reuse.
- Creating Human Awareness in Environment, Safety and Health.
- Promoting comprehensive programs for continual improvement of Environmental performance.
- Reduce specific energy consumption and associated green house gas emission.

## IX. HUMAN RESOURCES DEVELOPMENT

### a) KNOWLEDGE MANAGEMENT

TNPL has launched a Knowledge Management portal to enable the employees to share their experience and knowledge with other employees. A knowledge forum has been formed and the forum organizes professional meetings at regular intervals for the benefit of all employees.

### b) INDUSTRIAL RELATIONS

The Company takes pride in its record of congenial work atmosphere. The Company continues to maintain healthy industrial relations. Wage negotiations for Workmen with the representatives of the Recognized Trade Unions are in progress. An amicable wage settlement will be arrived at shortly.

**c) TRAINING**

Development of Human Resources is a continuous activity in TNPL. Training Calendar is prepared at the beginning of each year to provide training to employees, meet the skill gaps and development of their competencies. 50 External trainings and 49 In-house trainings were conducted during the year covering 2542 man-days. In-house Management Development programmes were conducted through experts in different fields and leading Institutions like NIT, BIM etc. As a part of giving training and improving employability, TNPL has engaged 230 graduate apprentices, 108 Diploma Apprentices and 69 ITI apprentices during the year under the Apprentices Act under the guidance of Board of Apprenticeship Training, Chennai.

**d) CORPORATE SOCIAL RESPONSIBILITY**

TNPL has been spending approximately 2% of the profit before tax of the previous year for various CSR activities covering Education, Health, Infrastructure, Drinking Water Supply, Sports, Training, etc. During 2014 - 2015 TNPL has spent Rs.372.57 lakh for CSR activities.

In line with the provisions of the Companies Act, 2013, TNPL has constituted Corporate Social Responsibility Committee consisting of five Independent Directors.

**X. AWARDS AND ACCOLADES RECEIVED DURING THE YEAR**

1. Indian Paper Manufacturers Association, (IPMA) has bestowed on TNPL 'IPMA Paper Mill of the Year Award 2014' for the year 2013-2014. TNPL has received this award for the fourth time.
2. Dun & Bradstreet, Mumbai, has selected TNPL as the Top Indian Company under the sector Paper and Paper Products for "Dun & Bradstreet Corporate Awards 2015". TNPL has received this award for the fourth time in a row.
3. Confederation of Indian Industry (CII) in its 15th National Award for Excellence in Energy Management 2014, has selected TNPL as one of the 49 companies for the "Excellent Energy Efficient Unit" Award.

## ANNEXURE - VII

### REPORT ON CORPORATE GOVERNANCE

As required under clause 49 of the Listing Agreement with the Stock Exchanges, a Report on Corporate Governance in conformance with the SEBI format is provided below:

#### A. MANDATORY REQUIREMENTS

##### 1. Company's Philosophy

TNPL's philosophy on Corporate Governance is to achieve high levels of integrity, equity and transparency in all its operations. The company believes that good Corporate Governance is essential for achieving long term goals and enhancing stakeholders' value. The Company's business objective is to manufacture and market products which create value that can be sustained over time for the benefit of customers, shareholders, employees, bankers and Government.

##### 2. Board of Directors

###### a. Composition and Category of Directors

As on 31<sup>st</sup> March, 2015, the Board consisted of ten directors - a Chairman and Managing Director and two non-executive Directors nominated by GOTN, two Executive Directors and five independent, non-executive Directors

As per Clause 49 of the Listing Agreement, where the Chairman of the Board is an Executive Director, at least half of the Board should comprise of independent directors with one woman director. The composition of the Board of Directors of TNPL complied with the provisions of Clause 49 of the Listing Agreement

An independent director in relation to a company, means a non-executive director other than a nominee director of the company:-

- a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- b) (i) who is or was not a promoter of the company or its holding, subsidiary or associate company;  
(ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- c) apart from receiving director's remuneration, has or had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two percent or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- e) who, neither himself nor any of his relatives—
  - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
  - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
    - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
    - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten percent or more of the gross turnover of such firm;
  - (iii) holds together with his relatives two percent or more of the total voting power of the company; or
  - (iv) is a Chief Executive or director, by whatever name called, of any nonprofit organisation that receives twenty-five percent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two percent or more of the total voting power of the company;
  - (v) is a material supplier, service provider or customer or a lessor or lessee of the company;

f) who is not less than 21 years of age.

Tvl.V.Narayanan, N.Kumaravelu, M R Kumar, V Nagappan and Tmt Sarada Jagan are categorized as independent directors.

The company has issued formal letters of appointment to independent directors in the manner as provided in the Companies Act, 2013.

The terms and conditions of appointment of independent directors have been disclosed on the company's website at [www.tnpl.com](http://www.tnpl.com)

The Independent Directors on the Board are experienced, competent and highly respected persons. They take active part in the Board and Committee meetings. Necessary disclosures have been made by the Directors as required by SEBI.

#### **Separate meeting of independent directors**

The independent directors have held one meeting without the attendance of non-independent directors and members of management to discuss:

- Evaluation of the performance of non-independent directors and the Board of Directors as a whole
- Evaluation of the performance of the Chairman, taking into account the views of the executive and non-executive directors
- Evaluation of the quality, content and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform its duties.

#### **Familiarisation Programme**

The Company has framed familiarisation programme for Independent Directors. The details of familiarisation programme is disclosed at Company's website at [www.tnpl.com](http://www.tnpl.com)

#### **Board's functioning and Procedure**

The Board plays a pivotal role in ensuring good governance. The Board's role, functions, responsibility and accountability are clearly defined. In addition to its primary role of setting corporate goals and monitoring corporate performance, it directs and guides the activities of the Management towards creating long term sustainable growth that benefits all stakeholders.

The Board also sets standards of behavior and ethical conduct for all the employees.

It also ensures strict compliance with the law and all regulations by the Company.

Board's key functions include:

- a) Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance and overseeing major capital expenditures, acquisitions and divestments.
- b) Monitoring the effectiveness of the company's governance practices and making changes as needed.
- c) Selecting, compensating, monitoring and when necessary, replacing key executives and overseeing succession planning.
- d) Aligning key executive and Board remuneration with the longer term interests of the company and its shareholders.
- e) Ensuring a transparent Board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- f) Monitoring and managing potential conflicts of interest of management, Board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- g) Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control and compliance with the law and relevant standards.
- h) Overseeing the process of disclosure and communications.
- i) Monitoring and reviewing Board Evaluation framework.



**b. Attendance of each Director at the Board of Directors' Meetings held during 2014-2015, the last AGM and number of other company boards or board/committees in which each of the directors of the company is a member or chairperson are as follows**

Name of Director	Category	No. of Board meetings		Whether attended last AGM	Directorships held in other companies		Committee* Memberships held in other companies	
		Held	Attended		Director	Chairman	Member	Chairman
Tvl.								
C V Sankar IAS Chairman and Managing Director (Full Additional charge )	Executive	8	8	Attended	11	5	-	-
A Velliangiri Deputy Managing Director	Executive	8	8	Attended	-	-	-	-
R Mani Director(Operations)	Executive	8	8	Attended	-	-	-	-
T Udhayachandran IAS	Non-Executive	8	3	Not Attended	8	-	-	-
Mahesan Kasirajan IAS (Appointed as Director w.e.f.9.6.2014)	Non-Executive	7	7	Attended	1	1	-	-
V Narayanan	Independent Non- Executive	8	8	Attended	1	-	1	-
N Kumaravelu	Independent Non- Executive	8	7	Attended	2	-	-	-
M R Kumar	Independent Non- Executive	8	6	Not Attended	-	-	-	-
V Nagappan	Independent Non- Executive	8	8	Attended	2	-	-	-
Tmt Sarada Jagan	Independent Non- Executive	8	7	Attended	-	-	-	-

\*Chairmanship / membership of the Audit Committee and Stakeholders' Relationship Committee has been taken.

**Limit on number of directorships**

- a. A person shall not serve as an independent director in more than seven listed companies
- b. Further, any person who is serving as a wholetime director in any listed company shall not serve as an independent director in more than three listed companies

**c. Number of Board Meetings held and the dates on which held:**

Eight Board Meetings were held during the year 2014-2015 as against the minimum requirement of four meetings. The meetings were held on the following dates:

29.5.14, 10.7.14, 11.8.14, 15.9.14, 12.11.14, 13.1.15, 12.2.15, 27.3.15

**d. Information placed before the Board of Directors**

The Board has complete access to all information relating to the company. The following information is regularly provided to the Board:

1. Minutes of the meetings of the Board, the Audit Committee and Investors' Grievances Committee
2. Quarterly, half yearly and annual financial results of the company and its business segments
3. Annual operating plans and budgets and any updates
4. Capital budgets and any updates
5. Cost Audit report / Secretarial audit report
6. Appointment of statutory auditor, secretarial auditor, cost auditor and internal auditor
7. Materially important show cause, demand, prosecution and penalty notices
8. Legal compliance report and certificate
9. Review of foreign exchange exposures and exchange rate movement, if material
10. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any
11. Any material default in financial obligations to and by the company or substantial non-recoveries against sale, if any
12. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company, if any
13. Significant labour problems and their proposed solutions. Any significant development in human resources / industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme etc.
14. Non-compliance of any regulatory, statutory nature or listing requirements and shareholders' service such as non-payment of dividend, delay in share transfer etc.
15. Issues relating to shareholders such as ratification of transfers, demat status, pending grievances, issue of duplicate share certificates etc.
16. Contracts in which Director(s) are deemed to be interested
17. Details of investment of surplus funds available with the company
18. General disclosure of interest
19. The information on recruitment and remuneration of senior officers just below the Board level including appointment or removal of Chief Financial Officer and the Company Secretary
20. Details of any joint venture or collaboration agreement
21. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property
22. Sale of material nature of investments, subsidiaries, assets which is not in normal course of business
23. Perspective plan for the future of the company
24. Quarterly details of foreign exchange exposures and the steps taken by management to limit the risks of adverse exchange rate movement, if material.

**e. Board material distributed in advance**

Agenda papers are circulated to the directors, in advance, in the prescribed agenda format. All material information is incorporated in the agenda papers for facilitating meaningful, informed and focused discussions at the meeting. Where it is not practicable to attach any document to the agenda, the same is placed on the table at the meeting with specific reference to this effect in the agenda.

With the permission of Chairman, in special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

Sensitive subject matters may be discussed at the meeting without written material being circulated in advance of the meeting.

In case of business exigencies or urgency of matters , resolutions are passed by circulation and the same is placed before the Board in the next meeting.

The meetings are usually held at the company's Registered Office at 67 Mount Road, Guindy, Chennai 600 032

#### **f. Recording minutes of proceedings at Board Meeting**

The Company Secretary records the minutes of the proceedings of each Board and Committee meeting. The minutes of the proceedings of a meeting are entered in the minutes book within thirty days from the conclusion of the meeting and signed by the Chairman of the Board or Audit Committee .

#### **g. Post Meeting Follow-up Mechanism**

The current status of follow up action on the decisions taken is reported to the Board and the Committees thereof in every meeting.

#### **h. Compliance**

The Company Secretary is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 2013 read with the rules issued there under and to the extent feasible , the Secretarial Standards recommended by the Institute of Company Secretaries of India, New Delhi.

All the items on the Agenda are accompanied by notes giving comprehensive information on the related subject and in certain matters such as financial/business plans, financial results, detailed presentations are made. The agenda and the relevant notes are sent in advance separately to each Director to enable the Board to take informed decisions.

Particulars of Directors being appointed at the Annual General Meeting and Directors retiring by rotation and seeking reappointment have been given in the Notice convening the 35th Annual General Meeting along with the Explanatory Statement.

### **3. Audit Committee (Statutory)**

#### **Powers of Audit Committee(Cl. 49 (III C)**

The Audit Committee shall have powers which should include the following:

- To investigate any activity within its terms of reference
- To seek information from any employee
- To obtain outside legal or other professional advice
- To secure attendance of outsiders with relevant expertise, if it considers necessary

#### **a. Terms of reference**

The terms of reference of this Committee are wide enough to cover the matters specified for Audit Committee under Clause 49 (III D) of the Listing Agreement as well as in Sec.177 of the Companies Act, 2013 and are as follows:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
2. Recommending to the Board the appointment, reappointment and if required, the replacement or removal of the statutory auditors and fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to :
  - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of Sub section 3 of section 134 of the Companies Act, 2013
  - b. Changes, if any, in accounting policies and practices and reasons for the same
  - c. Major accounting entries involving estimates based on the exercise of judgment by management
  - d. Significant adjustments made in the financial statements arising out of audit findings
  - e. Companies with listing and other legal requirements relating to financial statements
  - f. Disclosure of any related party transactions
  - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval

6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit functions, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
8. Discussions with internal auditors any significant finding and follow-up thereon
9. Reviewing the findings of any internal investigations by the internal auditors into matter where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
10. Discussions with statutory auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern
11. To look into the reasons for substantial default in the payment to depositors, debentureholders, shareholders (in case of non-payment of declared dividend) and creditors
12. Reviewing the company's financial and risk management policies
13. The audit committee should have discussions with the auditors periodically about the internal control systems, the scope of audit including the observations of the auditors and review the half yearly and annual financial statements before submission to the board and also ensure compliance of internal control systems.
14. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in this section or referred to it by the Board and for this purpose, shall have full access to information contained in the records of the company and external professional advice, if necessary.
15. To review internal audit programme , to ensure co-ordination between the internal and statutory auditors , to ensure the internal audit function is adequately resourced and has appropriate standing within the company and to request internal audit to undertake specific audit projects, having informed management of their intentions.
16. Review of Cost Audit Report
17. Review and monitor the auditor's independence and performance and effectiveness of audit process
18. Approval or any subsequent modification of transactions of the company with related parties
19. Scrutiny of inter-corporate loans and investments
20. Valuation of undertakings or assets of the company, wherever it is necessary
21. Reviewing with the management the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter
22. To review the functioning of the Whistle Blower mechanism
23. Approval of appointment of CFO (i.e. the wholetime Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate.
24. Reviewing any other areas which may be specified as role of the audit committee under amendments , if any, from time to time , to the Listing Agreement , Companies Act and other statutes.
25. Considering such other matters as may be required by the Board.
26. To review periodically statutory compliances of various laws, regulatory changes, if any.
27. Periodically review pending legal cases.

The Audit Committee mandatorily reviews the following information :

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the audit committee), submitted by management;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors;
4. Internal audit reports relating to internal control weaknesses; and
5. The appointment, removal and terms of remuneration of the Chief internal auditor shall be subject to review by the Audit Committee

The recommendations of the Audit Committee on any matter relating to financial management, including the audit report, shall be binding on the Board.

There are no instances of Board not accepting the recommendations of the Audit Committee during the year.

**b. Composition, name of members and Chairperson**

In TNPL, the Audit Committee was established even before the introduction of the Corporate Governance code (Cl.49 (III A)). Currently, the following five non-executive Directors are the members in the Audit Committee:

Thiru V Narayanan, Chairman of the Committee

Thiru N Kumaravelu, Member

Thiru M R Kumar, Member

Thiru V Nagappan, Member

Tmt Sarada Jagan, Member

The Company Secretary acts as the Secretary to the Committee.

The Chairman and Managing Director (CMD), Dy. Managing Director, Director (Operations), Senior Management Executives, Statutory Auditors, External Internal Auditors and Cost Auditors if required, are invited to attend the Audit Committee meetings.

**c. Meetings and attendance during the year(Cl. 49( III B)**

Director	No. of Meetings Held	Attended
Tvl.		
V Narayanan	7	7
N Kumaravelu	7	6
M R Kumar	7	5
V Nagappan	7	7
Tmt. Sarada Jagan	7	5

The Audit Committee met 7 times during 2014-15 as against the minimum requirement of 4 meetings. The dates on which the meetings were held are given below:

29.5.14, 11.8.14, 15.9.14, 12.11.14, 13.1.15, 12.2.15, 27.3.15

**4. Stakeholders` Relationship Committee (Statutory)****a. Stakeholders` Relationship Committee**

Shareholders' complaints/grievances are redressed by the Registrar and Transfer Agent, namely M/s.Cameo Corporate Services Limited. The Board also constituted Shareholders'/Investors' Grievances Committee in August 2001. As per section 178(5) of the Companies Act 2013, the Board of Directors of the company which consists of more than one thousand shareholders, debenture holders, deposit holders and any other security holders at any time during a financial year shall constitute a Stakeholders' Relationship Committee consisting of a Chairman who shall be a non executive director and such other members as may be decided by the Board. As the company is already having an Investors Grievances Committee to look into the redressing of Stakeholders and Investors' grievances, in compliance with the above section, the Investors Grievances Committee is renamed as "Stakeholders` Relationship Committee."

The following three non-executive directors are the members in the Stakeholders` Relationship Committee as on 31<sup>st</sup> March, 2015

1. Thiru V Narayanan Chairman of the Committee
2. Thiru N Kumaravelu Member
3. Thiru M R Kumar Member

The Stakeholders Relationship Committee met on 29th May, 2014 and 12th November 2014 and reviewed the grievances / complaints received and the action taken on the grievances / complaints.

**Meetings and attendance during the year**

Director	No. of Meetings Held	Attended
Tvl.		
V Narayanan	2	2
N Kumaravelu	2	2
M R Kumar	2	2



**Terms of reference:**

The functioning and broad terms of reference of the Investors' Grievances Committee as adopted by the Board are as under:

- a. To monitor work related to:
  - transfer and/or transmission of equity shares of the company
  - dematerialisation / rematerialisation of the shares of the company
  - sub-division, consolidation and /or replacement of any share certificate(s) of the company
- b. Approval of issue of duplicate share certificates against the original share certificates
- c. To look into the redressing of shareholders and investors complaints like  
Transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend, review of dematerialisation, rematerialisation, shareholding pattern, distribution schedules etc.
- d. To do all other acts or deeds as may be necessary or incidental thereto
- e. The Committee also reviews the performance of the company's RTA and their system of dealing with and responding to correspondence from all categories of shareholders. The manner and timeliness of dealing with complaint letters received from Stock Exchanges/SEBI/Ministry of Corporate Affairs etc. and the responses thereto are reviewed by this Committee.

The main object of the Committee is to strengthen investor relations.

The Company Secretary, being the Compliance Officer, is entrusted with the responsibility, to specifically, look into the redressal of the shareholders and investors complaints and report the same to the Investors' Grievances Committee.

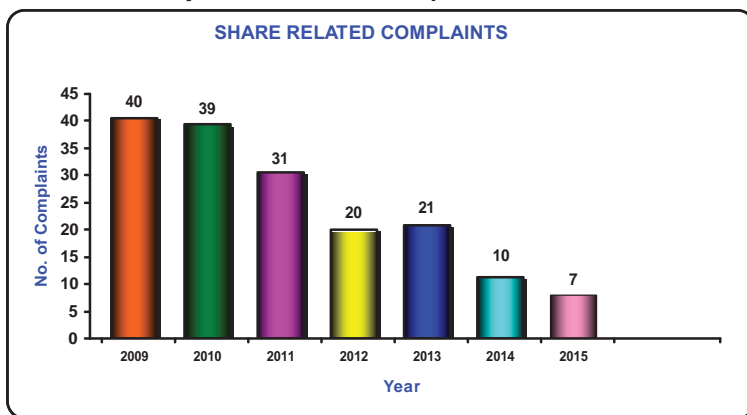
The number of complaints received and resolved to the satisfaction of investors during the year under review and their break-up are as under:

Type of Complaints	Number of complaints
Non-receipt of Annual Reports	1
Non-receipt of Dividend Warrants	4
Non-receipt of Share Certificates	-
Miscellaneous	2
<b>Total</b>	<b>7</b>

Complaints Status: 1.4.2014 to 31.3.2015

Nature of complaints (Received and Resolved)	Q1	Q2	Q3	Q4	Total
Securities and Exchange Board of India	-	1	-	-	1
Stock Exchanges	1	1	-	-	2
Shareholders	-	2	1	1	4
<b>Total</b>	<b>1</b>	<b>4</b>	<b>1</b>	<b>1</b>	<b>7</b>

Given below is the trend of share related complaints during last seven years. There is a steady decline in the number indicating an improvement in efficiency within the Share Department



There are no complaints remaining unresolved as at the beginning and end of the year.

**b. Share Transfer Committee**

To expedite the process of share transfers, share transmission, remat etc., the Board has delegated the powers of share transfers to a Committee comprising of CMD/MD, DMD and General Manager (Corporate Finance). The Share Transfer Committee attends to the share transfer formalities thrice a month. The business transacted at the Share Transfer committee meetings is placed before the Board regularly.

All valid share transfers during the year ended 31<sup>st</sup> March, 2015 have been acted upon. No share transfer was pending as on 31<sup>st</sup> March, 2015.

**5. Corporate Social Responsibility Committee (Statutory)**

To comply with Section 135(1) of the Companies Act 2013, the company has constituted the Corporate Social Responsibility Committee with the following independent Directors as members of the Committee with effect from 1.4.2014:

- |                       |                           |
|-----------------------|---------------------------|
| 1. Thiru V Narayanan  | Chairman of the Committee |
| 2. Thiru N Kumaravelu | Member                    |
| 3. Thiru M R Kumar    | Member                    |
| 4. Thiru V Nagappan   | Member                    |
| 5. Tmt. Sarada Jagan  | Member                    |

**Meetings and attendance during the year**

Director	No. of Meetings Held	Attended
Tvl.		
V Narayanan	3	3
N Kumaravelu	3	3
M R Kumar	3	2
V Nagappan	3	3
Tmt. Sarada Jagan	3	2

The company had formulated CSR Policy guidelines in 2011 and last updation was done in September 2014. As per Sec.135(5) of the Companies Act 2013, the Board of every company has to ensure that the company spends in every financial year at least two percent of the average net profits of the company made during three immediately preceding financial years. Currently, the CSR activities are grouped as follows:

1. Education
2. Health
3. Socio Economic development
4. Environment
5. Culture & Heritage

**6. Nomination and Remuneration Committee (Cl. 49(IV))**

To comply with Section 178 of the Companies Act 2013, the company has formed a Nomination and Remuneration Committee as mandated under Sec.178(1) of the Companies Act 2013 with the following Directors as members:

- |                               |                           |
|-------------------------------|---------------------------|
| 1. Thiru V Narayanan          | Chairman of the Committee |
| 2. Thiru T Udhayachandran IAS | Member                    |
| 3. Thiru N Kumaravelu         | Member                    |
| 4. Thiru M R Kumar            | Member                    |
| 5. Thiru V Nagappan           | Member                    |
| 6. Tmt. Sarada Jagan          | Member                    |

The Nomination and Remuneration Committee met once on 5<sup>th</sup> September 2014.

**Meetings and attendance during the year**

Director	No. of Meetings Held	Attended
Tvl.		
V Narayanan	1	1
N Kumaravelu	1	1
V Nagappan	1	1
T Udhayachandran IAS	1	-
M R Kumar	1	-
Tmt Sarada Jagan	1	-

**Terms of reference of the Committee:**

- Shall identify persons who are qualified to become director and who may be appointed in Senior Management in accordance with the criteria laid down
- Recommend to the Board their appointment and removal
- Shall lay down an evaluation criteria for performance evaluation of independent directors and the Board.
- Formulate the criteria for determining qualifications, positive attributes and independence of a director
- Devising policy on Board's diversity
- Recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- Evaluate and approve the appointment and remuneration of senior executives, the company's remuneration plan, annual salary increase principles and budgets, annual and long term incentive plans of the company, policies and programs such as succession planning, employment agreements, severance agreements and any other benefits.
- Evaluate executive team performance regularly to strengthen the cumulative annual assessment and to provide timely feedback to the assessed individuals
- Senior Management means personnel of the company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

**While formulating policy, the Committee has ensured that:**

- Level and composition of remuneration is reasonable and sufficient to attract/ retain/ motivate directors
- Relationship of remuneration to performance
- Remuneration to directors/key management personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals
- Policy and evaluation criteria shall be disclosed in the Board's report

**a. Remuneration Policy**

Thiru C V Sankar IAS was appointed as Chairman and Managing Director (full additional charge) by the Government on 25<sup>th</sup> October, 2013. He is being paid remuneration in accordance with the Govt. rules as applicable to his cadre.

Thiru A Velliangiri, Dy.Managing Director's service has been extended for two years from 19<sup>th</sup> December, 2013. Thiru A Velliangiri, as Dy.Managing Director is drawing remuneration as per the Contractual Appointment order dt.4.12.13, details of which were circulated to all the shareholders vide Notice dt.29.11.13 under Sec.302 of the Companies Act, 1956.

The service of Thiru R Mani, Director (Operations) has been extended for a further period of one year from 27<sup>th</sup> February, 2015 and is drawing remuneration as per the Contractual Appointment order dt. 9.3.2015

No remuneration except sitting fees for attending the Board/Committee Meetings is paid to other Directors.

**b. Details of remuneration for the year ended 31<sup>st</sup> March, 2015****Executive Directors****(Rs. in lakh)**

<b>Name &amp; Position</b>	<b>Pay &amp; Allowances</b>	<b>Reimbursement of medical expenses</b>	<b>Perquisites</b>	<b>Total</b>
Tvl				
C V Sankar IAS CMD (fac)	-	-	-	-
A Velliangiri Dy.Managing Director	30.45	-	2.55	33.00
R Mani Director (Operations)	17.15	1.06	3.29	21.50
<b>Total</b>	<b>47.60</b>	<b>1.06</b>	<b>5.84</b>	<b>54.50</b>

**Non-Executive Directors**

Remuneration by way of sitting fees for attending Board/ Board Committee Meetings are paid only to non-executive Directors. Sitting fees paid to non-executive Directors during the financial year are given below:

<b>Name of the Director</b>	<b>Sitting Fees paid (Rs.)</b>				
	<b>Board</b>	<b>Audit Committee</b>	<b>Stakeholders' Relationship Committee</b>	<b>Corporate Social Responsibility Committee</b>	<b>Nomination and Remuneration Committee</b>
Tvl.					
Mahesan Kasirajan IAS	105000*	-	-	-	-
T Udhayachandran IAS	45000*	-	-	-	-
V Narayanan	120000	105000	30000	45000	15000
N Kumaravelu	105000	90000	30000	45000	15000
M R Kumar	90000**	75000**	30000**	30000**	-
V Nagappan	120000	105000	-	45000	15000
Tmt Sarada Jagan	105000	75000	-	30000	-
<b>Total</b>	<b>690000</b>	<b>450000</b>	<b>90000</b>	<b>195000</b>	<b>45000</b>

\* remitted to Govt. of Tamil Nadu

\*\*remitted to LIC of India Ltd.

Independent Directors were paid sitting fees of Rs.15000/- per meeting.

The company has also taken Director's and Officer's (D&O) liability insurance to protect its directors' personal liability for financial losses that may arise out of any unintentional wrongful acts.

**Shareholdings of Directors**

No Director is holding any shares in the company except Thiru R Mani, Director (Operations) - 200 shares.

**7. General Body Meetings**

I. Last three Annual General Meetings were held as below:

<b>Year</b>	<b>Location</b>	<b>Date</b>	<b>Time</b>	<b>Special Resolution passed In the AGM by shareholders</b>
2011-12	The Music Academy, 168, T.T.K.Road, Chennai-600 014.	21.9.2012	10.25 AM	No
2012-13	-do-	19.9.2013	10.30 AM	No
2013-14	-do-	15.9.2014	10.15 AM	No

## II. Postal Ballot

One special resolution was put through postal ballot last year for altering certain articles in the Articles of Association in July 2014.

## III. Details of voting pattern of the postal ballot were as follows:

Special Resolution :

Particulars	No. of Postal Ballot Forms	No. of Votes	%
Total Postal Ballot Forms received	846	27585364	-
Less:- Rejected Postal Ballot Forms	16	3554	-
Net Valid Postal Ballot Forms	830	27588839	100%
Postal Ballot Forms with Assent for the Resolution	791	27585364	99.98%
Postal Ballot Forms with Dissent for the Resolution	39	3475	0.02%

The special resolution was carried with requisite majority

## IV. Thiru R. Sridharan, of M/s.R. Sridharan &amp; Associates, Company Secretaries was appointed as a scrutinizer to conduct and scrutinize the postal ballot exercise.

## V. None of the items to be transacted at the ensuing Annual General Meeting is required to be passed by postal ballot.

## VI. The procedure for postal ballot is set out below:

- The Board of directors shall appoint a designated person(Scrutiniser) to conduct, supervise and control the exercise of postal ballot. The person may be the Company Secretary, a retired judge or any person of repute who, in the opinion of the Board, can conduct the voting process in a fair and transparent manner.
- All communications in this regard shall be made by and addressed directly to the said designated person
- A notice containing a draft of the resolution and the necessary explanatory statement shall be sent to all members entitled to vote requesting them to send their assent or dissent within a period of thirty days from the date of posting of the letter
- The notice shall include a pre-paid postage envelope for facilitating the communication of the assent or the dissent of the shareholders to the resolutions within the said period
- The envelope by post will be received directly by the post office through Post Box No., which will be obtained by the designated person in advance and will be indicated on each pre-paid envelope to be used by the members for sending the resolution
- The designated person shall ascertain the will of the shareholders based on the response received and the resolution shall be deemed to have been duly passed, if approved by members not less in number, as prescribed by law.
- The designated person shall thereafter give a report to the Chairman/MD and on the basis of such report, the Chairman/MD shall declare the results of the poll.

**E-voting System**

Clause 35B of the Listing Agreement and Rule 20 of The Companies (Management and Administration) Rules 2014 state that every listed company or a company having not less than 1000 shareholders, shall provide to its members facility to exercise their right to vote at general meetings by electronic means. Thiru R Sridharan of M/s. R Sridharan & Associates, Practicing Company Secretary, was appointed to act as Scrutiniser to conduct, supervise and control the exercise of e-voting for passing of resolutions of the company at the last AGM held on 15<sup>th</sup> September, 2014.

**Circular Resolution**

Recourse to circular resolution is made in exceptional and emergent cases that are recorded at the succeeding Board / Committee Meetings. During the year, two circular resolutions were passed which were recorded at the subsequent Board meetings.

**Secretarial Compliance Report**

- a. Section 204 of the Companies Act, 2013 has mandated appointment of a Secretarial Auditor. Accordingly, M/s.R Sridharan & Associates, practicing Company Secretaries, have been appointed as Secretarial Auditor for the year 2014-15. The Secretarial Audit Report in Form MR-3 is attached as an annexure to the Board's Report.



b. Secretarial Audit Reports

As stipulated by SEBI, a qualified Company Secretary has carried out the Reconciliation of Share Capital audit to reconcile the total admitted capital with National Securities Depository Limited and Central Depository Services(India) Limited and the total issued and listed capital. This audit is carried out every quarter and the report thereon is submitted to the Stock Exchanges and is also placed before the Board of Directors. The Audit inter alia ,confirms that the total listed and paid up capital of the company is in agreement with the aggregate of the total number of shares in dematerialized form (held by NSDL and CDSL) and total number of shares in physical form.

Quarterly Secretarial Audit Reports on reconciliation of the total admitted capital with NSDL/CDSL and the total issued and listed capital were furnished to the Stock Exchanges on the following dates:

For the quarter ended	Furnished on
30 <sup>th</sup> June, 2014	9 <sup>th</sup> July, 2014
30 <sup>th</sup> September, 2014	13 <sup>th</sup> October, 2014
31 <sup>st</sup> December, 2014	19 <sup>th</sup> January, 2015
31 <sup>st</sup> March, 2015	8 <sup>th</sup> April, 2015

**Role of Company Secretary in overall governance process**

The Company Secretary plays a key role in ensuring that the Board procedures are followed and regularly reviewed. The Company Secretary ensures that all relevant information, details and documents are made available to the directors and senior management for effective decision making at the meetings. The Company Secretary is primarily responsible to ensure compliance with applicable statutory requirements and is the interface between the management and regulatory authorities for governance matters. All the Directors of the Company have access to the advice and services of the Company Secretary.

**Quarterly Compliance Report**

The Company has submitted for each of the 4 quarters during 2014-15 the Compliance Report on Corporate Governance to stock exchanges in the prescribed format within 15 days from the close of the quarter.

**8. Disclosures – Cl.49 (VIII)**

- a. Sec.188 of the companies Act 2013 deals with Related Party Transactions. It defines related parties, related party transactions and several financial limits to identify a transaction as related party transaction. It further provides that with the consent of the Board the company shall enter into any contract or arrangement with a related party. Accordingly, the company has formulated a policy for Related Party Transaction and the same has been uploaded on the company's website at the following link [http://www.tnpl.com/web\\_pdf\\_files/Related%20Party%20Transactions%20policy.pdf](http://www.tnpl.com/web_pdf_files/Related%20Party%20Transactions%20policy.pdf)

There are no materially significant transactions with related parties during the year which are potentially conflicting with company's interest at large.

Suitable disclosure as required by the Accounting Standards (AS 18) has been made in the notes to Accounts forming part of this Annual Report.

- b. As per Clause 49(V) of the Listing Agreement, the Chief Executive Officer i.e.Chairman and Managing Director and the Chief Financial Officer i.e.Deputy Managing Director certified to the Board on their review of financial statements and cash flow statements for the financial year ended 31st March 2015 in the form prescribed by Clause 49 of the Listing Agreement which is annexed.
- c. The criteria for making payments to non-executive directors is placed on the website of the company [www.tnpl.com](http://www.tnpl.com)
- d. None of the non-executive directors is holding shares / convertible instruments of the company.
- e. There were no instances of non-compliance on any matter relating to the capital market during the last three years
- f. The company has complied with all Mandatory requirements of the Clause 49 of the Listing Agreement. As regards the non-Mandatory requirements, the extent of compliance has been stated in Part B of this report.
- g. Details of information on appointment of new/re-appointment of directors:

A brief resume, nature of expertise in specific functional areas, names of companies in which the person already holds directorship and membership of committees of the Board forms part of the Notice convening the 35th Annual General Meeting.

**Code of Conduct – Cl.49 (II E)**

The company adheres to the highest standards of business ethics, compliance with statutory and legal requirements and commitment to transparency in business dealings. The Board of Directors has framed Code of Conduct for Board Members and Senior Management. The code of conduct has been communicated to the Directors and the Members of the Senior Management.

The Code of Conduct for Board Members and Senior Management adopted pursuant to Cl.49 (II E) of the listing Agreement and SEBI(Prohibition of Insider Trading) Regulations, 1992 respectively has been detailed below:

The code is applicable to all Directors and specified Senior Management Executives. The code impresses upon Directors and Senior Management Executives to uphold the interest of the company and its stakeholders and to endeavor to fulfil all the fiduciary obligations towards them. Another important principle on which the code is based is that the Directors and Senior Management Executives shall act in accordance with the highest standard of honesty, integrity, fairness and ethical conduct and shall exercise utmost good faith, due care and integrity in performing their duties. The Listing Agreements with Stock Exchanges and the Companies Act, 2013 have included duties for Independent Directors in the Code of Conduct for Board Members. The company has suitably incorporated the same in the Code of Conduct for Board Members. The code has been posted on the website of the company [www.tnpl.com](http://www.tnpl.com)

Affirmation of compliance of Code of Conduct for the financial year 2014-15 has been received from the Directors and Senior Management personnel of the company.

SEBI has notified the SEBI (Prohibition of Insider Trading) Regulations, 2015, which had come into force w.e.f. 15.5.2015. The main aim of the regulation is to prevent persons connected with a company from enjoying any possible undue advantage while dealing in the shares of the company.

### VIGIL MECHANISM / WHISTLE BLOWER POLICY

The company promotes ethical behavior in all its business activities and has put in place a mechanism of reporting illegal or unethical behaviour. The company has framed a vigil mechanism / whistle blower policy wherein the employees are free to report any improper activity resulting in violations of laws, rules, regulations or code of conduct by any of the employees to the Competent Authority or Chairman of the Audit Committee, as the case may be. Any such complaint is reviewed by the Competent Authority or Chairman of the Audit Committee. The confidentiality of those reporting violations shall be maintained and they shall not be subjected to any discriminatory practice. No employee has been denied access to the Audit Committee. The policy has been posted on the website of the company.

### 9. Means of Communication

- |   |  |
|---|--|
| a. Half-yearly report sent to each household of shareholders  | : No *   |
| b. Quarterly results :  |  |
| Newspapers published in   | : Financial Express<br>Business Standard<br>Dhinathanthi |
| Website where displayed   | : <a href="http://www.tnpl.com">www.tnpl.com</a>         |
| c. Whether the website also displays official news releases and presentations to the media, analysts, institutional investor's etc. ?   | : Yes  |
| d. Audited financial results (Newspapers published in)  | : Financial Express<br>Business Standard<br>Dhinathanthi |
| e. Whether MD&A (Management Discussion & Analysis) is a part of Annual Report?  | : Yes  |
| * As the results are published in newspapers having wide circulation and also displayed on the company's website, half yearly results are not sent separately to each shareholder   |  |
| The company also informs by way of intimation to the Stock Exchanges all price sensitive matters and such other matters which in its opinion are material and of relevance to the shareholders and subsequently issues a Press Release on the said matters.   |  |
| f. Presentation to analysts: The company's shares are listed on both BSE Limited and National Stock Exchange of India Limited. The presentations broadly cover operations, financials and industry outlook. The company also displays official news at our company's website.   |  |
| g. Annual Report: Annual Report containing, inter alia, audited Annual Accounts, Directors' Report, Auditors' Report and other important information is sent to Members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report. The Annual Report is also available on the Company's website.            |  |
| h. Chairman's communiqué: Printed copy of the Chairman's speech is distributed to all the shareholders at the Annual General Meeting.   |  |
| i. NSE Electronic Application Processing System(NEAPS): The company also files information through NEAPS – a web based application provided by NSE which facilitates online filing of Corporate Governance Report, shareholding pattern, Reconciliation of share capital audit report and the Secretarial Audit report under Clause 47(c) of the Listing Agreement. |  |

- j. Extensive Business Reporting Language(XBRL): XBRL is a language for electronic communication of business and financial data. It offers major benefits to all those who have to create, transmit, use or analyse such information which aids better analysis and decision making. Ministry of Corporate Affairs(MCA) vide its circular No. 37/2011 dated 7<sup>th</sup> June 2011 had mandated certain companies to file their Annual Accounts vide this mode. The company has filed its Annual Accounts on MCA through XBRL.
- k. Ministry of Corporate Affairs: The company has periodically filed all the necessary documents with the MCA.
- l. SEBI Complaints Redress System(SCORES): A centralized web based complaints redress system which serves as a centralized database of all complaints received, enables uploading of Action Taken Reports(ATRs) by the concerned companies and online viewing by the investors of action taken on the complaint and its current status.

## 10. Risk Management

The company has a risk management policy and a supporting frame work which facilitates the identification and assessment of new risks and review of existing risks. The process is based on identified risks and the risk events or factors which require regular assessment and quick response. Based on the probability and impact of the risk, the requisite controls and action plans are designed.

The objective of risk management in the company is to act as enabler in maintaining its knowledge edge, sustaining and expanding the business and ensuring execution of projects within budgeted cost and time resulting in improved turnover and profitability. Risks, their root causes, controls and action plans are prepared by process owners and updated regularly.

The status of risk management policy is presented to Audit Committee on periodical basis which are reviewed by Board of Directors also. Based on periodic reviews and implementations of recommendations resulting from review process, the risk management process is continuously being improved and strengthened.

The communication is being sent regularly, across the organization to spread awareness on risks, root causes and action plans through in-house risk management awareness programs, external trainings & seminars, etc..

The management is committed to further strengthen its risk management capabilities in order to protect and enhance shareholder value by improving its business performance. Continuous efforts in creating new opportunities, improving competencies/knowledge in various areas leading to improved performance and leveraging existing knowledge resources, in line with the risk appetite of the company, has enabled the company to protect the interests of shareholders.

## 11. SHAREHOLDERS' INFORMATION

### 1. 35th Annual General Meeting

<b>Day, Date and Time</b>	Friday, 18th September 2015 at 10.15 AM
<b>Venue</b>	The Music Academy, 168, T.T.K.Road, Chennai-600 014.

2. Financial Year Calendar (2015-2016) (Tentative)      The Company follows the period of 1st April to 31st March, as the Financial Year. For the Financial year 2015 -2016, Financial Results will be announced as per the following tentative schedule.

1st quarter ending June 30, 2015	Second week of August 2015
2nd quarter ending September 30, 2015	Second week of November 2015
3rd quarter ending December 31, 2015	Second week of February 2016
4th quarter ending March 31, 2016	Fourth week of May 2016

3. Book closure date      12.9.2015 to 18.9.2015 (both days inclusive) on account of AGM and Dividend.

4. (a) Dividend payment date      :    21.9.2015 onwards.

(b) Dividend Policy      :

Dividends, other than Interim dividend(s), are to be declared at the Annual General Meetings of Shareholders based on the recommendation of the Board of Directors. Generally, the factors that may be considered by the Board of Directors before making any recommendations for dividend include, without limitation, the Company's future expansion plans and capital requirements, profits earned during the fiscal year, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions. The Board of Directors may also from time to time pay interim dividend(s) to Shareholders.

### 5. Debt Instruments:

Non-convertible debentures issued by the company on private placement basis are listed at BSE Ltd. (BSE).

ISIN No.

Series I - INE107A07012 – 100 crores

During the year under review, Series II - INE107A07020 – 50 crores was redeemed on 19<sup>th</sup> January 2015.

6. Listing of Equity Shares on

(a) Stock Exchanges at :

(1) National Stock Exchange of India Limited,  
Plot No.C/1, G Block  
Bandra-Kurla Complex  
Bandra (E)  
Mumbai - 400 051

(2) BSE Limited  
Listing Department  
PhirozeJeejeebhoyTowers  
25th Floor  
Dalal Street  
Mumbai 400 001

(b) Depositories at :

(1) National Securities Depository Ltd.  
Trade World, 4thFloor/A' Wing  
Kamala Mills Compound  
Senapati Bapat Marg  
Lower Parel, Mumbai – 400 013.

(2) Central Depository Services (India) Limited  
16-17th Floor, PhirozeJeejeebhoyTowers  
Dalal Street  
Mumbai – 400 001.

(c) Debenture Trustees :

Vijaya Bank  
Merchant Banking Division  
H.O. 41/2 M.G. Road  
Trinity Circle  
Bangalore – 560 001

- Listing fee for Equity shares and Debt Securities for the year 2015 -2016 have been paid to the above Stock Exchanges. For NSE, Listing fee has been paid through “NEAPS” (NSE Electronic Application Processing System).
- The annual custodial fees for the Financial Year 2014-15 have been paid to National Securities Depository Ltd.(NSDL) and Central Depository Services (India) Ltd. (CDSL)

7. Stock Code / Symbol

1. BSE	531426
2. NSE	“TNPL EQ”
3. International Securities Identification No.	INE 107A01015
4. Corporate Identity Number (CIN) allotted by The Ministry of Corporate Affairs	L22121TN1979PLC007799

8 (a).Market Price Data (In Rs.)

Month/Year	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	High Price	Low Price	Volume	High Price	Low Price	Volume
April 2014	136.25	126.80	2,02,905	136.65	128.00	7,94,952
May 2014	156.05	123.35	4,42,587	156.40	122.20	16,55,085
June 2014	178.00	142.05	18,30,780	178.00	142.30	63,51,419
July 2014	174.00	155.35	2,87,334	172.70	154.60	12,89,226
August 2014	175.00	155.80	5,54,956	175.00	155.65	20,66,558
September 2014	167.50	150.00	4,81,210	167.60	150.00	21,73,909
October 2014	152.50	133.05	1,86,697	154.80	134.75	8,23,230
November 2014	148.80	132.05	2,47,038	148.60	132.55	11,77,252
December 2014	139.80	126.00	1,99,587	140.00	127.00	6,37,392
January 2015	140.80	128.00	2,20,157	140.70	127.90	7,91,709
February 2015	145.50	128.50	8,51,444	144.80	131.80	9,63,013
March 2015	137.00	126.90	1,97,919	137.85	117.00	8,78,720

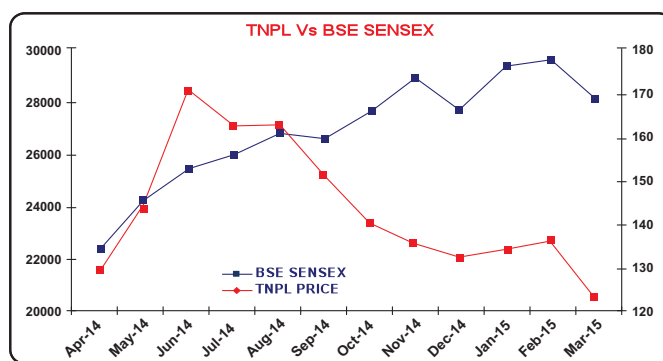
8(b).Market Capitalisation (Rs.)

Market Capitalisation	BSE	NSE
As on March 31, 2014	887,62,59,450	887,97,19,980
As on March 31, 2015	855,78,90,690	873,09,17,190

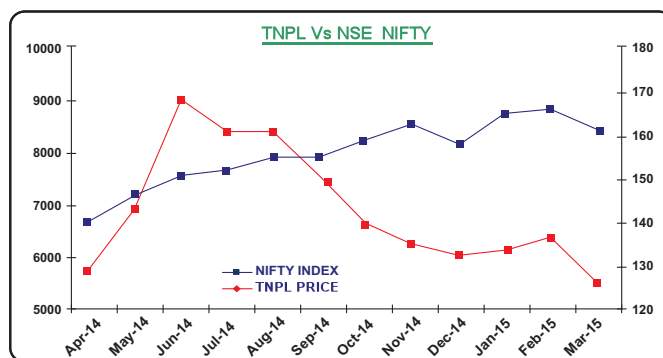
## 9. Share price performance in comparison to broad based indices – BSE SENSEX and NSE Nifty :

For the years April 2013 to March 2015:

YEAR	BSE SENSEX			NSE NIFTY		
	% CHANGE IN TNPL SHARE PRICE	% CHANGE IN SENSEX	TNPL REACTIVE TO SENSEX	% CHANGE IN TNPL SHARE PRICE	% CHANGE IN NIFTY	TNPL REACTIVE TO NIFTY
2013-2014	(+) 34.15%	(+) 18.85%	(+) 15.30%	(+) 34.98%	(+) 17.98%	(+) 17.00%
2014-2015	(-) 3.59%	(+) 24.89%	(-) 28.48%	(-) 1.68%	(+) 26.65%	(-) 28.33%
2013-2015	(+) 29.34%	(+) 48.43%	(-) 19.09%	(+) 32.72%	(+) 49.42%	(-) 16.70%



SENSEX and TNPL share prices are based on month end closing rates.



NIFTY and TNPL share prices are based on month end closing rates.

## 10. Registrar and Transfer Agent

: Securities and Exchange Board of India (SEBI) has mandated, vide Circular No. D&CC/FITTC/CIR-15/2002 dated December 27, 2002 that all Share Registry work relating to both physical shares and shares held in electronic mode must be maintained at a single point, either in-house or by a SEBI registered Registrar and Transfer Agent.

The Company has already enlisted the services of M/s Cameo Corporate Services Ltd., Chennai to act as Registrar and Transfer Agents to handle all investor services relating to shares held in physical form as well as in electronic mode. Their address is given below :

M/s Cameo Corporate Services Ltd.  
V Floor, "Subramanian Building"  
No.1 Club House Road, Chennai – 600 002  
Tel.No.044-28460390 - 28460395  
Fax No.044-28460129  
E-mail ID : cameo@cameoindia.com



11. Share Transfer System
- i) Share Transfers : The shares of the Company, being in the compulsory demat list are transferable through the depository system. Shares in physical form are processed and the Share Certificates are generally returned within a period of 15 days from the date of receipt.  
All transfers/transmissions/remat received are processed and approved by the Share Transfer Committee which normally meets thrice in a month. Shares under objection are returned within two weeks.
- ii) Nomination facility for shareholding : As per the provisions of the amended Companies Act 2013, facility for making nomination is available for shareholders in respect of shares held by them. Nomination forms can be obtained from the share transfer agent.
- iii) Payment of dividend through National Electronic Clearing Services (NECS) : As per RBI notification, with effect from 1st October 2009, the remittance of dividend through Electronic Clearing Service (ECS) is replaced by National Electronic Clearing Service (NECS).  
Shareholders were requested by the company vide Circular dated 5th March, 2010, to intimate their folio No(s), Name and Branch of the Bank in which they wish to receive the dividend, the Bank Account Type, Bank Account Number allotted by their banks after implementation of Core Banking Solutions (CBS) and the 9 digit MICR code Number.  
Shareholders who have already intimated the above information to the Depository Participants (DPs)/Registrars of the company ("Registrars") pursuant to the above circular need not take any further action in this regard.  
Shareholders who have not intimated the DPs/Registrars are once again requested to intimate the above information in respect of shares held in electronic form to the DPs and in respect of shares held in physical form, to the Registrars at their address.  
Those shareholders who do not wish to avail of the NECS facility, are requested to furnish to the DPs/Registrars, the name and branch of the bank and bank account No. allotted by their banks after implementation of Core Banking Solutions, which will be printed on the warrants.
- iv) Unclaimed dividends : The company is required to transfer dividends which have remained unpaid/unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Government. The Company will accordingly be required to transfer in the year 2015 the dividend for the year ended 31<sup>st</sup> March, 2008 which has remained unclaimed/unpaid.
- v) Details of dividend pending to the Unpaid/Unclaimed Dividend Account as on 31<sup>st</sup> March, 2015:

Sl. No.	Year	Amount (Rs.)	% to the total dividend
1.	For the year 2007-08	5,50,075.00	0.32%
2.	For the year 2008-09	7,88,067.00	0.25%
3.	For the year 2009-10	11,41,564.00	0.37%
4.	For the year 2010-11	11,54,240.00	0.33%
5.	For the year 2011-12	12,44,130.00	0.36%
6.	For the year 2012-13	14,25,375.00	0.41%
7.	For the year 2013-14	18,33,642.00	0.44%

As regards unclaimed dividend, dividend warrants are sent to addresses available as per the company records. Where the shareholders have not informed the company the change of address, the dividend warrants are returned to the company. The company remits the unclaimed dividend to the Central Government after seven years. If any claim is received from the shareholders within seven years period, payment is made.

Following amounts have been transferred to IEPF account during the year:

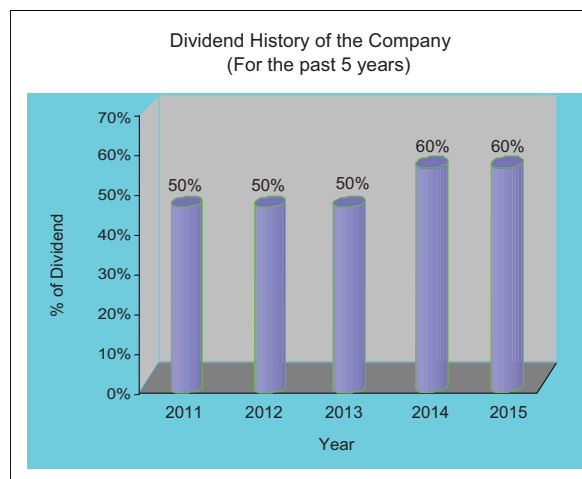
Particulars	Date of Warrant	Due Date for Transfer	Date of Transfer	Amount transferred Rs.
1. Dividend :-				
2006-07 (Final)	01.09.2007	05.11.2014	05.11.2014	6,01,155
2007-08 (Interim)	19.11.2007	02.01.2015	02.01.2015	4,47,018

2. Fixed Deposit :				
2006-07	29.09.2007	29.10.2014	24.10.2014	24,656
2007-08	31.01.2008	02.03.2015	03.03.2015	30,820
<b>Total</b>				<b>11,03,649</b>

- vi) Correspondence regarding Change of Address etc. : Shareholders are requested to ensure that any correspondence for change of address, change in Bank Mandates etc. should be signed by the first named shareholder. Shareholders who hold shares in dematerialized form should correspond with the Depository participant with whom they have opened Demat Account/s.
- vii) Pending Investors' Grievances : Any shareholder whose grievance has not been resolved to his/her satisfaction may kindly write to the Company Secretary at the Registered Office with a copy of the earlier correspondence.

## 12. Dividend History (Last 5 Years)

Financial Year	Dividend %	Total Dividend (Rs. in Lakhs)
2010-11	50%	3460.53
2011-12	50%	3460.53
2012-13	50%	3460.53
2013-14	60%	4152.64
2014-15	60%	4152.64



## 13. Distribution of Shareholding as on 31st March, 2015.

**DISTRIBUTION SCHEDULE AS ON 31ST MARCH 2015**

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount (Rs.)	% of Amount
1 - 5000	26059	89.82	2869511	28695110	4.15
5001 - 10000	1397	4.81	1149418	11494180	1.66
10001 - 20000	709	2.44	1098856	10988560	1.59
20001 - 30000	241	0.83	619505	6195050	0.90
30001 - 40000	101	0.35	366307	3663070	0.53
40001 - 50000	95	0.33	450397	4503970	0.65
50001 - 100000	176	0.61	1334223	13342230	1.92
100001 - And above	236	0.81	61322383	613223830	88.60
<b>Total</b>	<b>29014</b>	<b>100.00</b>	<b>69210600</b>	<b>692106000</b>	<b>100.00</b>

**DISTRIBUTION OF SHAREHOLDING AS ON 31<sup>ST</sup> MARCH, 2015**

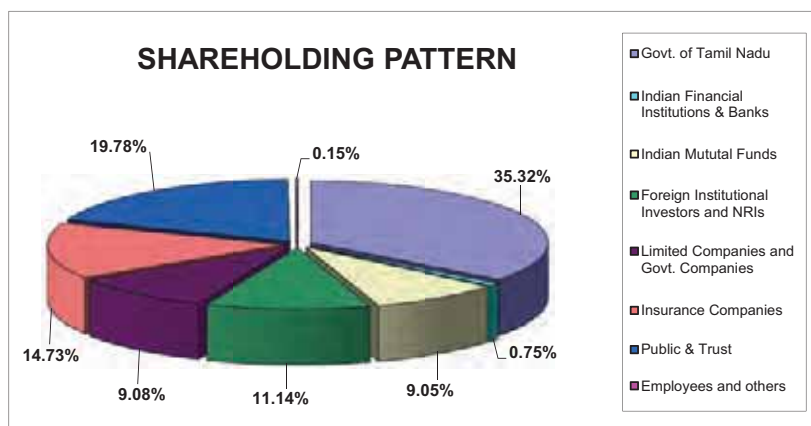
	CATEGORY	NO. OF HOLDERS	NO. OF SHARES	PERCENTAGE
<b>A</b>	<b>PROMOTERS' HOLDING</b>			
1	Promoters			
	- Indian Promoters	1	24444900	35.32
	- Foreign Promoters	Nil	Nil	Nil
2	Persons acting in Concert	---	---	---
	<b>SUB-TOTAL</b>	<b>1</b>	<b>24444900</b>	<b>35.32</b>
<b>B.</b>	<b>NON-PROMOTERS' HOLDING</b>			
1	Indian Financial Institutions	1	495168	0.72
2	Mutual Funds and UTI	23	6263717	9.05
3	Banks, Insurance Companies, Central/ State Govt. Institutions	20	13020558	18.81
4	Foreign Institutional Investors	40	7283063	10.52
	<b>SUB-TOTAL</b>	<b>84</b>	<b>27062506</b>	<b>39.10</b>
<b>C</b>	<b>OTHERS</b>			
1	Private Corporate Bodies	555	3476617	5.02
2	Indian Public	27689	13689076	19.78
3	NRIs/OCBs	462	432178	0.63
4	Others	223	105323	0.15
	<b>SUB-TOTAL</b>	<b>28929</b>	<b>17703194</b>	<b>25.58</b>
	<b>GRAND TOTAL (A+B+C)</b>	<b>29014</b>	<b>69210600</b>	<b>100.00</b>

**LIST OF TOP TEN SHAREHOLDERS AS ON 31<sup>ST</sup> MARCH, 2015**

SL. NO.	Name of the shareholder(s)	No. of shares	% to Equity
1.	Governor of Tamil Nadu	24444900	35.32
2.	Life Insurance Corpn. of India	6891158	9.96
3.	Hdfc Trustee Co. Ltd.-Hdfc Prudence Fund	3981634	5.75
4.	Warburg Value Fund	3500000	5.06
5.	Hdfc Trustee Co. Ltd.-Hdfc Mf Monthly Income Plan Long Term Plan	2238648	3.23
6.	General Insurance Corpn. of India	2110074	3.05
7.	Govt. Pension Fund Global	2070000	2.99
8.	Anil Kumar Goel	700000	1.01
9.	United India Insurance Company Ltd.	683213	0.99
10.	Elara Capital Plc A/C Elara Global Funds -Elara Emerging Markets Fund	653401	0.94

## SHAREHOLDING PATTERN

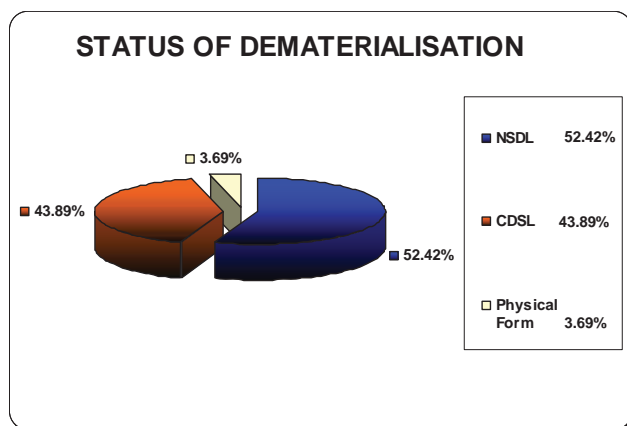
SL. No.	Category	Shareholding Pattern As on 31 <sup>st</sup> March, 2015			Shareholding Pattern As on 31 <sup>st</sup> March, 2014		
		Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%
1	Governor of Tamil Nadu	1	24444900	35.32	1	24444900	35.32
2	Foreign Institutional Investors	40	7283063	10.52	17	6107163	8.82
3	Indian Mutual Funds	23	6263717	9.05	26	6634405	9.59
4	Banks	5	20074	0.03	6	78806	0.11
5	Financial Institutions	1	495168	0.72	1	495168	0.72
6	Insurance Companies	5	10191904	14.73	6	10495622	15.16
7	Govt. Companies	10	2808580	4.06	10	2808580	4.06
8	Employees	160	29300	0.04	164	30200	0.04
9	Limited Companies	555	3476617	5.02	542	5444961	7.87
10	NRIs	462	432178	0.62	500	593370	0.86
11	Public & Trust	27693	13690577	19.78	24580	12046771	17.41
12	Shares Dematerialised/ Shares in Transit	59	74522	0.11	55	30654	0.04
	<b>Total</b>	<b>29014</b>	<b>69210600</b>	<b>100.00</b>	<b>25908</b>	<b>69210600</b>	<b>100.00</b>



14. Dematerialisation of Shares and liquidity : For Dematerialisation of Equity shares, the Company has entered into a tripartite agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's Equity shares have been included in the list in which trading is compulsory for all investors in dematerialised form, along with other scrips, from 8-5-2000.

Details of Demat shares as at 31<sup>st</sup> March, 2015:

Category	No. of Shareholders	No. of Shares	% to Capital
PHYSICAL	3725	2553332	3.69
NSDL	17992	36281187	52.42
CDSL	7297	30376081	43.89
<b>TOTAL</b>	<b>29014</b>	<b>69210600</b>	<b>100.00</b>



As on 31st March 2015, 25289 shareholders are holding shares in demat form. 66657268 ( 96.31%) shares have been dematerialized, representing 52.42% in NSDL and 43.89% in CDSL of the total Equity Share capital. 2553332 shares are in Physical form representing 3.69%.

15. Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity : Nil

16. Credit Rating:

- a. ICRA has assigned the following credit rating for the Company as below:

- (i) Long term rating of (ICRA) A (Pronounced ICRA A).
- (ii) Short term rating of (ICRA) A1 (Pronounced ICRA A one).

The outlook on long term rating is 'stable'. The long term rating of '(ICRA) A' indicates adequate degree of safety regarding timely servicing of financial obligations, it carries low credit risk. The short term rating of '(ICRA) A1' indicates very strong degree of safety regarding timely payment of financial obligations, it carries lowest credit risk.

- b. CARE Ltd has assigned the following credit rating for the Company as below:

- I. Long term facilities - CARE A+ (Pronounced Single A plus)
- II. Short term facilities - CARE A1 (Pronounced A one)

The long term rating of CARE A+ indicates adequate degree of safety regarding timely servicing of financial obligations, it carry low credit risk. The short term rating of CARE A1 indicates very strong degree of safety regarding timely payment of financial obligations, it carry lowest credit risk.

- 17.Plant locations : Kagithapuram  
Karur District  
Tamil Nadu  
Pin : 639 136  
Tel.No.04324-277001 to 277017  
Fax : 04324-277025/277026/277027

18. Address for correspondence :

- (a) Investor correspondence for transfer/ dematerialisation of shares, payment of dividend on shares, and any other query relating to the shares of the Company. : M/s Cameo Corporate Services Ltd.  
V Floor, "Subramanian Building"  
No.1 Club House Road  
Chennai – 600 002.  
Tel.No.044-28460390 - 28460395  
Fax No.044-28460129  
E-mail ID : investor@cameoindia.com  
cameo@cameoindia.com  
Contact Person : Thiru D Narasimhan  
Joint Manager



- (b) Any query on Annual Report : Shares Department  
Tamil Nadu Newsprint and Papers Ltd.  
67, Mount Road, Guindy,  
Chennai – 600 032.  
Tel.No.22354417 Fax No. 22350834 & 22354614  
e-mail address : shares@tnpl.co.in  
secretarial@tnpl.co.in  
sivakumar.vs@tnpl.co.in  
Contact Person : Thiru V Sivakumar  
Company Secretary
- (c) E-mail ID of Investor  
Grievances Section : invest\_grievances@tnpl.co.in
- (d) Name of the Compliance Officer : Thiru V Sivakumar  
Company Secretary

## 12. REQUEST TO INVESTORS

- Investors are requested to communicate change of address, if any, directly to the share transfer agent of the company at the above address
- To avoid the incidence of fraudulent encashment of dividend warrants, members are requested to intimate the company under the signature of the Sole/First Joint holder, the following information so that the bank account number and name and address of the bank can be printed on the dividend warrants:
  - i) Name of Sole/First Joint holder and Folio number
  - ii) Particulars of bank account viz.
    - Name of bank
    - Name of branch
    - Complete address of bank with PINCODE
    - Account type, whether Savings Bank(SB) or Current Account(CA)
    - Bank account number
- The shareholders are requested to dematerialize their physical share certificates, through a depository participant. Shareholders requiring any further clarification/ assistance on the subject may contact the company's share transfer agent
- The mandate, if given by the Members in respect of shares held in physical form will not be applicable to the dividend payable on shares held by them in demat mode and vice versa. Members holding shares in demat mode must, therefore give instructions regarding the bank account in which they wish to receive dividend to their DPs.
- Members holding shares in demat form are requested to incorporate the DP Id number and Client Id Number in the Attendance Slip/ Proxy form for easy identification of attendance at the meeting.
- There are chances of fraudulent transactions taking place in relation to dormant folios, where the shareholder has either expired or has changed his residence. Hence investors are requested to exercise due diligence and notify us of any change in address or demise of any shareholder as soon as possible. Investors are requested not to leave their demat account dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified. Investors are also requested not to disclose your Folio No. /DP.Id. to an unknown person and not to hand over signed blank transfer deeds/delivery instruction slips to any unknown person.
- Investors must ensure that they deal with only SEBI registered intermediaries and must obtain a valid contract note/confirmation memo from the broker/sub-broker, within 24 hours of execution of the trade and it should be ensured that the contract note/confirmation memo contains order no., trade no., trade time, quantity, price and brokerage.
- Investors should register their mobile numbers with DPs for SMS alert facility. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) proactively inform investor of transaction in the demat account by sending SMS. Investors will be informed about debits and credits to their demat account without having to call up their DPs and investors need not wait for receiving Transaction Statements from DPs to know about the debits and credits.
- There is likelihood of fraudulent transfers in case of folios with no movement or where the shareholder has either expired or is not residing at the address registered with the Company. Company/DP should be updated on any change of address or contact details. Similarly information of death of shareholders should also be communicated.
- Correspondence containing certificates of securities and high value dividend/interest warrants should be sent by registered post/courier or lodged with the Company's Secretarial Department by hand delivery.
- Investors are requested to kindly note that any dividend which remains unencashed for a period of seven years will get transferred to "Investors Education and Protection Fund" in terms of Section 205C of the Companies Act, 1956.

- Members who have not encashed their dividend warrants in respect of dividends declared for the year ended 31st March 2008 and for any financial year thereafter may contact the company and surrender their warrants for payment. Members are requested to note that the dividend not claimed for a period of seven years from the date they first became due for payment shall be transferred to Investor Education and Protection Fund (IEPF) in terms of Section 205 C of the Companies Act, 1956. Yearwise details of the amount to be transferred to IEPF are given below:

**Yearwise details of the amount to be transferred to IEPF are given below:**

Year	Dividend type	Dividend (%)	Date of declaration	Due for transfer to IEPF
2007-08	Final	25	29.08.2008	3.11.2015
2008-09	Final	45	09.09.2009	14.11.2016
2009-10	Final	45	08.09.2010	13.11.2017
2010-11	Final	50	15.09.2011	20.11.2018
2011-12	Final	50	21.09.2012	26.11.2019
2012-13	Final	50	19.09.2013	24.11.2020
2013-14	Final	60	15.09.2014	20.11.2021

## B. NON-MANDATORY REQUIREMENTS

### 1. The Board

The Board - A non-executive Chairman may be entitled to maintain a Chairman's Office at the Company's expenses and also allowed reimbursement of expenses incurred in performance of his duties

The CMD is an executive director in the company

### 2. Shareholders' Rights

A half-yearly declaration of financial performance including summary of the significant events in last six months may be sent to each household of shareholders

- The quarterly financial results are announced within 45 days from the close of the respective quarter. However, in case of the last quarter, the quarterly results and the annual results are announced within 60 days from the close of the quarter. The results are published in leading newspapers. The financial results, press releases and other major events/developments concerning the company are also posted on the company's website [www.tnpl.com](http://www.tnpl.com)
- The half-yearly results of the company are published in more than one English newspaper having a wide circulation and in one Tamil Newspaper. The results are not sent to the shareholders individually.

### 3. Audit qualifications

The company has ensured to remain in the regime of unqualified financial statement

### 4. Separate posts of Chairman and CEO

The company may appoint separate persons to the post of Chairman and Managing Director/CEO

As per the Companies Act, 2013, no individual shall be appointed or reappointed as the Chairperson of the company as well as the Managing Director or Chief Executive Officer of the company at the same time after the date of commencement of the new Act if the Articles of such a company provides otherwise. In order to comply with the new Act, the Articles of Association of the company has been amended to provide for appointment as Chairman & Managing Director

### 5. Reporting of Internal Auditor

The Internal Auditor may report directly to the Audit Committee

This is the practice being followed

### Compliance with the Corporate Governance Voluntary Guidelines 2009

With an objective of encouraging adoption of better practice in achieving the highest standard of corporate governance, the Ministry of Corporate Affairs, Government of India published the Corporate Governance Voluntary Guidelines 2009. These guidelines will also translate into a much higher level of stakeholders' confidence to ensure long term sustainability and value generation by business. The guidelines broadly focus on areas such as Board of Directors, responsibilities of the Board, Audit Committee functions, roles and responsibilities, appointment of Auditors, compliance with Secretarial Standards and a mechanism for whistle blower support. The company is substantially in compliance with the Corporate Governance Voluntary Guidelines 2009 and is in the process of adopting and implementing other practices as suggested in the Guidelines.

For and On behalf of the Board

Place: Chennai

Date: 28.5.2015

**C V SANKAR IAS**  
CHAIRMAN & MANAGING DIRECTOR

**CERTIFICATE BY CEO AND CFO PURSUANT TO CLAUSE 49 OF  
THE LISTING AGREEMENT**

We, C V Sankar, Chairman & Managing Director and A Velliangiri, Deputy Managing Director, in our capacity as Chief Executive Officer (CEO) and Chief Financial Officer(CFO) respectively of the company hereby certify that:

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2015 and that to the best of our knowledge and belief:
  - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
  - b. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's Code of Conduct
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps have been taken to rectify these deficiencies
4. We have indicated to the Auditors and the Audit Committee:
  - a. significant changes in internal control over financial reporting during the year
  - b. significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements and
  - c. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting

For **TAMIL NADU NEWSPRINT AND PAPERS LIMITED**

Place: Chennai  
Date : 28.05.2015

**C V SANKAR IAS**  
CHAIRMAN & MANAGING DIRECTOR

**A VELLIANGIRI**  
DY.MANAGING DIRECTOR

**CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY**

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the period ended 31st March 2015.

For **TAMIL NADU NEWSPRINT AND PAPERS LIMITED**

Place: Chennai  
Date : 28.05.2015

**C V SANKAR IAS**  
CHAIRMAN & MANAGING DIRECTOR

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE**

To  
The Members  
M/s. Tamil Nadu Newsprint and Papers Limited

1. We have examined the compliance of conditions of Corporate Governance by **M/s. Tamil Nadu Newsprint and Papers Limited**, for the year ended 31st March 2015 as stipulated in Clause 49 of the Listing Agreement of the said Company with the Stock Exchanges.
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.
4. As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we state that as per the records maintained and certified by the Registrars of Company, there were no investors' grievances remaining unattended/pending for more than 30 days as at 31st March 2015.
5. We further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Raman Associate.**  
Chartered Accountants  
Firm Registration No. 002910S

**G. Vasudevan**  
Partner  
Membership No. 020739

Place – Chennai  
Date – 28th May 2015

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF M/s. TAMIL NADU NEWSPRINT AND PAPERS LIMITED

### Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of **M/s. Tamil Nadu Newsprint and Papers Limited** [‘the Company’] which comprise the Balance Sheet as at **31st March 2015** and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

### Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134[5] of the Companies Act, 2013 [“the Act”] with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies [Accounts] Rules, 2014.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the State of Affairs of the Company as at 31st March 2015, and its Statement of Profit and Loss and its Cash Flows for the year ended on that date.

### Report on other Legal and Regulatory Requirements

1. As required under Section 143[5] of the Companies Act, 2013, we give in the “Annexure A” our report on the directions issued by the Comptroller and Auditor General of India.
2. As required by the Companies [Auditor's Report] Order, 2015 [“the Order”], issued by the Central Government of India in terms of Sub-section [11] of Section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
3. As required by Section 143[3] of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;



- c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies [Accounts] Rules, 2014;
- e) On the basis of written representations received from the directors as on 31st March 2015, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015, from being appointed as a director in terms of Section 164[2] of the Act and
- f) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies [Audit and Auditors] Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements as referred to in Note No. 27 to the standalone financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts as referred to in Note No. 28 [k] & [l] to the standalone financial statements.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

**For Raman Associate**

Chartered Accountants

Firm Registration No. 002910S

**G. Vasudevan**

Partner

Membership No. 020739

Place – Chennai

Date – 28th May 2015

**“Annexure A” to Independent Auditor’s Report**

<b>No.</b>	<b>Compliance</b>	<b>Comments</b>
01	If the Company has been selected for disinvestment, a complete status report in terms of valuation of Assets [including intangible assets and land] and Liabilities [including Committed & General Reserves] may be examined including the mode and present stage of disinvestment process	Not Applicable
02	Please report whether there are any cases of waiver / write-off of debts / loans / interest, etc. If yes, the reasons therefore and the amount involved	Nil
03	Whether proper records are maintained for inventories lying with third parties and assets received as gift from Government or other authorities	There were no inventories lying with third parties during the year under review. During the year, the Company did not receive anything as gift from Government or other authorities
04	A report on age-wise analysis of pending legal/ arbitration cases including the reasons of pendency and existence / effectiveness of a monitoring mechanism for expenditure on all legal cases [foreign and local] may be given	Mostly cases are pending due to the obligations of the counter party or due to further appeals / revision petitions filed. Approval from Senior Executives is obtained for legal expenses in accordance with the delegation of powers as approved by the Board. The Company has a Legal Department which is monitoring the legal cases and reported to the Board periodically.
		Age-wise analysis of pending legal / arbitration cases is as given below:
	<b>Sl. No.</b>	<b>Period</b>
	01	Less than 1 year
	02	1 year to 3 years
	03	3 years to 5 years
	04	5 years to 10 years
	05	More than 10 years
		<b>Total</b>
		<b>211</b>

**For Raman Associate**

Chartered Accountants

Firm Registration No. 002910S

**G. Vasudevan**

Partner

Membership No. 020739

Place – Chennai

Date – 28<sup>th</sup> May, 2015

**The Annexure referred to in paragraph 2 of our report of even date to the members of  
M/s. Tamil Nadu Newsprint and Papers Limited on the accounts of the Company  
for the year ended 31st March 2015**

On the basis of such checks as we considered appropriate and according to the information and explanations given to us during the course of audit, we report that:

**Fixed Assets**

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) The fixed assets have been physically verified by the Management at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification. In our opinion, the periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c) Fixed assets disposed off during the year were not substantial, and therefore, do not affect the going concern assumption.

**Inventory and its physical verification**

- a) The inventory has been physically verified during the year by the Management. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c) The Company has maintained proper records of inventory and no material discrepancies were noticed on physical verifications.

**Loans granted / taken from related Companies**

- a) The Company has not granted any loans and advances, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- b) The Company has not taken any loans and advances, secured or unsecured from companies, firms or other parties covered in the register maintained under section 189 of the Act.

**Internal Control**

- a) In our opinion and according to the information and explanations given to us, there are adequate internal control systems and procedures commensurate with the size of the Company and the nature of its business with regard to purchases of inventory and fixed assets and for sale of goods and services. We have not observed any major weakness in the internal control system during the course of the audit.

**Public Deposits**

- a) According to the information and explanations given to us, the Company has not accepted any deposits from the public during the year.

**Internal Audit**

- a) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

**Cost Records**

- a) The Central Government has prescribed the maintenance of cost records by the Company under Section 148(1) of the Companies Act, 2013 and we are of the opinion that prima facie, the books of accounts have been maintained by the Company and the proforma specified therein for the year are under preparation. We have however not carried out a detailed verification of such records.

**Statutory Dues**

- a) The Company has generally been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income Tax, Sales Tax, Wealth Tax, Service Tax, Excise Duty, Customs Duty and Cess and any other material statutory dues applicable to it with appropriate authorities.
- b) According to the information and explanations given to us, no undisputed amounts payable were in arrears for a period of more than six months from the date they became payable.

- c) According to the information and explanations given to us, there are no dues of Sales Tax / Income Tax / Customs Duty / Wealth Tax / Service Tax / Excise Duty / Cess which have not been deposited on account of any dispute other than those given below:

Name of the Statute	Nature of Dues	Period to which the amount pertains	Amount (Rs.Lakhs)	Forum where the dispute is pending
Cenvat Credit Rules, 2004	Excise Duty Exemption	1997-1998 1998-1999	4.25	CESTAT Chennai
Cenvat Credit Rules, 2004	Capital Goods Credit	1997-1998 1998-1999 1999-2000 2000-2001 2001-2002	57.97	Hon'ble High Court of Madras
Cenvat Credit Rules, 2004	Capital Goods Credit	2003-2004 2004-2005 2005-2006 2006-2007	1388.28	CESTAT Chennai
Cenvat Credit Rules, 2004	Capital Goods Credit	2006-2007 2007-2008	10537.01	CESTAT Chennai
Cenvat Credit Rules, 2004	Input credit reversal on effluent sludge waste	2006-2007 2007-2008 2008-2009 2009-2010	5440.95	CESTAT Chennai
Cenvat Credit Rules, 2004	Input Service Credit	2007-2008 2008-2009	972.12	CESTAT Chennai
Cenvat Credit Rules, 2004	Capital Goods Credit	2008-2009	10.32	Hon'ble High Court of Madras
Cenvat Credit Rules, 2004	Capital Goods Credit	2008-2009	31.96	CESTAT Chennai
Cenvat Credit Rules, 2004	Capital Goods Credit	2009-2010	394.77	CESTAT Chennai
Cenvat Credit Rules, 2004	Capital Goods Credit	2009-2010 2010-2011	14380.97	CESTAT Chennai
Cenvat Credit Rules, 2004	Capital Goods Credit	2010-2011	4.20	Hon'ble High Court of Madras
Cenvat Credit Rules, 2004	Capital Goods Credit	2010-2011	5.01	Commissioner Appeals, Trichy
Cenvat Credit Rules, 2004	Input credit reversal on effluent sludge waste	2010-2011	910.13	CESTAT Chennai
Cenvat Credit Rules, 2004	Capital Goods Credit	2010-2011	929.42	CESTAT Chennai
Customs Act, 1962	Custom Duty	1999-2000	106.29	Commissioner Chennai

Name of the Statute	Nature of Dues	Period to which the amount pertains	Amount (Rs.Lakhs)	Forum where the dispute is pending
Customs Act, 1962	Custom Duty	1999-2000	20.45	Commissioner Cochin
Customs Act, 1962	Custom Duty	1991-1992	1.30	Commissioner Appeals, Chennai
Customs Act, 1962	Custom Duty	1991-1992	1.03	Commissioner Appeals, Trichy
Customs Act, 1962	Custom Duty	1991-1992	33.33	Commissioner Chennai and Hon'ble High Court of Madras
Customs Act, 1962	Custom Duty	1997-1998	54.00	Commissioner Chennai
Customs Act, 1962	Custom Duty	1997-1998	14.94	Commissioner Chennai
Customs Act, 1962	Custom Duty	1997-1998	39.87	Commissioner Chennai
Customs Act, 1962	Custom Duty	2014-2015	84.11	Commissioner Chennai
Income Tax Act, 1961	Income Tax	2002-2003	16.48	Assessing Officer Chennai
Income Tax Act, 1961	Income Tax	2003-2004	612.81	Hon'ble High Court of Madras and Commissioner of Appeals, Chennai
Income Tax Act, 1961	Income Tax	2004-2005	40.87	ITAT, Chennai
Income Tax Act, 1961	Income Tax	2006-2007	41.18	ITAT, Chennai
Income Tax Act, 1961	Income Tax	2007-2008	138.52	ITAT, Chennai
Income Tax Act, 1961	Income Tax	2009-2010	2433.29	Commissioner of Appeals, Chennai
Income Tax Act, 1961	Income Tax	2010-2011	2057.31	Commissioner of Appeals, Chennai
Income Tax Act, 1961	Income Tax	2011-2012	2019.39	Commissioner of Appeals, Chennai
Income Tax Act, 1961	Income Tax	2012-2013	2465.43	Commissioner of Appeals, Chennai
Wealth Tax Act, 1957	Wealth Tax	1997-1998	1.37	Commissioner of Appeals, Chennai
Wealth Tax Act, 1957	Wealth Tax	1998-1999	6.50	Commissioner of Appeals, Chennai



Name of the Statute	Nature of Dues	Period to which the amount pertains	Amount (Rs.Lakhs)	Forum where the dispute is pending
Wealth Tax Act, 1957	Wealth Tax	1999-2000	5.81	Commissioner of Appeals, Chennai
Wealth Tax Act, 1957	Wealth Tax	2001-2002	5.63	Commissioner of Appeals, Chennai
Wealth Tax Act, 1957	Wealth Tax	2002-2003	0.15	Commissioner of Appeals, Chennai
TNVAT Act, 2006	Value Added Tax	2006-2007	0.90	Appellate Deputy Commissioner [CT] Trichy
TNVAT Act, 2006	Value Added Tax	2007-2008	134.08	Appellate Deputy Commissioner [CT] Trichy
TNVAT Act, 2006	Value Added Tax	2008-2009	150.65	Appellate Deputy Commissioner [CT] Trichy
TNVAT Act, 2006	Value Added Tax	2009-2010	120.56	Appellate Deputy Commissioner [CT] Trichy
TNVAT Act, 2006	Value Added Tax	2010-2011	102.13	Appellate Deputy Commissioner [CT] Trichy
TNVAT Act, 2006	Value Added Tax	2011-2012	52.13	Appellate Deputy Commissioner [CT] Trichy
TNVAT Act, 2006	Value Added Tax	2012-2013	87.82	Appellate Deputy Commissioner [CT] Trichy
Central Sales Tax Act, 1956	Central Sales Tax	1997-1998	11.47	Appellate Deputy Commissioner [CT] Trichy
Central Sales Tax Act, 1956	Central Sales Tax	1998-1999	12.90	Appellate Deputy Commissioner [CT] Trichy
Central Sales Tax Act, 1956	Central Sales Tax	1999-2000	8.30	Appellate Deputy Commissioner [CT] Trichy
Central Sales Tax Act, 1956	Central Sales Tax	2000-2001	10.03	Appellate Deputy Commissioner [CT] Trichy
		<b>Total</b>	<b>45958.39</b>	

- d) According to the information and explanation given to us, the amount required to be transferred to the Investor Education and Protection Fund in accordance with the relevant provisions of the Companies Act, 2013 and rules made thereunder have been transferred by the Company to the fund within time.

#### **Sick Company**

- a) The Company does not have any accumulated losses at the end of the financial year. The Company has not incurred any cash losses during the financial year covered by our audit and in the immediately preceding financial year.

#### **Guarantees given by the Company**

- a) In our opinion and according to the information and explanation given to us and based on the records produced before us during the course of our audit, the Company has not given any guarantee during the year.

#### **Term Loans**

- a) The Company has obtained term loans during the year which were prima facie, applied for the purpose which they were obtained.
- b) On the basis of verification of records and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to financial institutions, banks and debenture holders. The Company has not raised any monies against issue of debentures during the year.

#### **Frauds noticed**

- a) During the course of our examination of the books of account carried out in accordance with the generally accepted auditing practices in India and to the best of our knowledge and according to the information and explanations given to us, no fraud of material nature on or by the Company has been noticed or reported during the year nor have we been informed of any such case by the management.

As per our report of even date  
For **Raman Associate**  
Chartered Accountants  
Firm Registration No. – 002910S

**G. Vasudevan**  
Partner

Membership No. 020739

Place – Chennai

Date – 28<sup>th</sup> May, 2015

#### **COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 143(6) (b) OF THE COMPANIES ACT, 2013 ON THE FINANCIAL STATEMENTS OF TAMIL NADU NEWSPRINT AND PAPERS LIMITED FOR THE YEAR ENDED 31ST MARCH 2015.**

The preparation of financial statements of Tamil Nadu Newsprint and Papers Limited for the year ended 31 March 2015 in accordance with the financial reporting framework prescribed under the Companies Act, 2013 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 139 (5) of the Act is/are responsible for expressing opinion on the financial statements under section 143 of the Act based on independent audit in accordance with standards on auditing prescribed under section 143 (10) of the Act. This is stated to have been done by them vide their Audit Report dated 28-05-2015.

I, on the behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 143(6) (a) of the Act of the financial statements of Tamil Nadu Newsprint and Papers Limited for the year ended 31 March 2015. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquiries of the statutory auditors and company personnel and a selective examination of some of the accounting records. On the basis of my audit nothing significant has come to my knowledge which would give rise to any comment upon or supplement to statutory auditors' report.

**For and on the behalf of the  
Comptroller & Auditor General of India**

Place: Chennai

Date : 28<sup>th</sup> July, 2015

**ALKA REHANI BHARDWAJ**  
Accountant General

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## BALANCE SHEET AS AT 31ST MARCH, 2015

(Rs.in Lakh)

Particulars	Note No.	As at 31/03/2015		As at 31/03/2014	
<b>I. EQUITY AND LIABILITIES</b>					
<b>1 Shareholders' Funds</b>					
(a) Share Capital	1	6937.78		6937.78	
(b) Reserves and Surplus	2	113226.40		107659.62	
			<b>120164.18</b>		114597.40
<b>2 Non-Current Liabilities</b>					
(a) Long Term Borrowings	3	136916.63		63698.83	
(b) Deferred tax Liabilities (Net)	4	35959.00		31664.00	
(c) Long term Provisions	5	10133.27		9153.61	
			<b>183008.90</b>		104516.44
<b>3 Current Liabilities</b>					
(a) Short Term Borrowings	6	47527.95		45040.38	
(b) Trade payables	7	58018.04		46576.47	
(c) Other Current liabilities	8	53581.48		52960.47	
(d) Short-term Provisions	9	7449.02		7573.97	
			<b>166576.49</b>		152151.29
			<b>469749.57</b>		<b>371265.13</b>
<b>II. ASSETS</b>					
<b>1) Non-Current Assets</b>					
a) Fixed Assets					
i) Tangible assets	10	240429.01		242588.30	
ii) Intangible assets		530.93		732.66	
iii) Capital work-in-progress		63123.39		9498.52	
		<b>304083.33</b>		252819.48	
b) Non-Current Investment	11	114.05		114.05	
c) Captive Plantation	12	1631.91		2121.38	
d) Long-Term loans and advances	13	40487.27		24809.81	
			<b>346316.56</b>		279864.72
<b>2) Current Assets</b>					
a) Inventories	14	43337.07		28536.48	
b) Trade Receivables	15	50136.26		37673.97	
c) Cash and cash equivalents	16	2033.17		1221.45	
d) Short term Loans and Advances	17	26342.88		21364.53	
e) Other Current Assets	18	1583.63		2603.98	
			<b>123433.01</b>		91400.41
			<b>469749.57</b>		<b>371265.13</b>

Notes 1 to 18, 27 &amp; 28 form an integral part of this Balance Sheet.

**C V SANKAR, IAS**Chairman & Managing Director  
(DIN-00703204)**A.VELLIANGIRI**Dy. Managing Director  
(DIN-00153169)**V. SIVAKUMAR**

Company Secretary

vide our report of even date

**For RAMAN ASSOCIATE**Chartered Accountants  
Firm Reg. No.002910S**G. VASUDEVAN**Partner  
Membership No.020739

Place : Chennai

Date : 28th May 2015

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2015

(Rs.in Lakh)

Particulars	Note No.	For the Year ended 31/03/2015	For the Year ended 31/03/2014
<b>I REVENUE FROM OPERATIONS</b>			
Revenue (Sales & Income from Operations)	19	223532.32	238332.17
Less: Excise Duty & Cess		9959.52	9809.76
Total Revenue (Net)		213572.80	228522.41
<b>II OTHER INCOME</b>	20	1664.24	1672.09
<b>III TOTAL REVENUE (I + II)</b>		215237.04	230194.50
<b>IV EXPENSES</b>			
Purchases/Materials Consumed	21	70539.87	70786.89
Purchase of Stock-in-Trade	22	13147.16	9729.94
Changes in inventories of finished goods, work-in-progress & Stock-in-Trade	23	(13158.95)	497.55
Employee Benefit Expense	24	17894.99	15579.45
Finance Costs	25	15492.57	12821.15
Depreciation/amortization Expense	10	13730.47	19231.73
Other Expenses	26	74578.40	81280.22
<b>TOTAL EXPENSES</b>		192224.51	209926.93
<b>V PROFIT BEFORE EXCEPTIONAL ITEMS AND EXTRAORDINARY ITEMS AND TAX (III - IV)</b>		23012.53	20267.57
<b>VI Exceptional Items</b>		-	-
<b>VII PROFIT BEFORE EXTRAORDINARY ITEMS AND TAX (V + VI)</b>		23012.53	20267.57
<b>VIII Extra-ordinary Items</b>		-	-
<b>IX PROFIT BEFORE TAX (VII + VIII)</b>		23012.53	20267.57
<b>X TAX EXPENSE</b>			
- Current Tax		4823.00	4247.00
- MAT Credit		(2688.00)	(2768.00)
- Current Tax net of MAT Credit		2135.00	1479.00
- Deferred Tax		4662.00	2618.00
- Income-tax relating to previous year		(457.31)	52.81
		6339.69	4149.81
<b>XI PROFIT / (LOSS) FOR THE PERIOD (IX - X)</b>		16672.84	16117.76
<b>XII BASIC &amp; DILUTED EARNINGS PER SHARE</b> (Face Value Rs.10/- per Share)	Rs	24.09	23.29

Notes 19 to 28 form an integral part of this statement of profit and loss.

**C V SANKAR, IAS**Chairman & Managing Director  
(DIN-00703204)**A.VELLIANGIRI**Dy.Managing Director  
(DIN-00153169)**V. SIVAKUMAR**

Company Secretary

vide our report of even date

**For RAMAN ASSOCIATE**Chartered Accountants  
Firm Reg. No.002910S**G. VASUDEVAN**Partner  
Membership No.020739

Place : Chennai

Date : 28th May 2015



**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2015****(Rs. In Lakh)**

<b>Sl. No.</b>	<b>Particulars</b>	<b>2014-2015</b>	<b>2013-2014</b>
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	Net Profit before Tax and Exceptional Items	<b>23012.53</b>	20267.57
	Adjustments for :		
	Depreciation	<b>13730.47</b>	19231.73
	Interest Income	<b>(933.74)</b>	(807.52)
	Dividend Income	<b>(0.39)</b>	(6.03)
	Rental Income	<b>(95.84)</b>	(108.27)
	(Profit)/Loss on write off/ sale of Fixed Assets	<b>(47.93)</b>	(56.69)
	Exchange Fluctuations	<b>8.54</b>	160.40
	Finance Cost	<b>15492.57</b>	12821.15
	<b>Operating Profit before working capital changes</b>	<b>51166.21</b>	51502.34
	Decrease(Increase) in Inventories	<b>(14311.13)</b>	(2094.84)
	Decrease(Increase) in Sundry Debtors	<b>(12480.45)</b>	(9957.55)
	Decrease(Increase) in Loans and Advances	<b>(2783.74)</b>	5905.28
	Increase(Decrease) in Current Liabilities	<b>23750.49</b>	10555.68
	<b>Cash from Operations</b>	<b>45341.38</b>	55910.91
	Income Tax paid	<b>(5026.02)</b>	(3551.12)
	<b>Cash from Operating before exceptional Items</b>	<b>40315.36</b>	52359.79
	Exceptional Items	-	-
	<b>Cash from Operating Activities</b>	<b>40315.36</b>	52359.79
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Proceeds on Sale of Fixed Assets	<b>84.50</b>	61.05
	Additions to Fixed Assets & Capital Work-In-Progress	<b>(61390.56)</b>	(12580.26)
	Capital Advance	<b>(13706.37)</b>	(16789.81)
	Interest Income	<b>933.74</b>	807.52
	Dividend Income	<b>0.39</b>	6.03
	Rental Income	<b>95.84</b>	108.27
	<b>Net Cash from Investing Activities</b>	<b>(73982.46)</b>	(28387.20)
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Borrowings	<b>94331.34</b>	30040.79
	Repayment of Borrowings	<b>(35988.83)</b>	(37442.47)
	Interest paid	<b>(19011.18)</b>	(13752.16)
	Dividend paid	<b>(4152.64)</b>	(3460.53)
	Dividend tax paid	<b>(705.74)</b>	(588.12)
	<b>Net Cash from Financing Activities</b>	<b>34472.95</b>	(25202.49)
<b>D</b>	<b>TOTAL INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR (A+B+C)</b>	<b>805.85</b>	(1229.90)
	Cash and cash equivalents at the beginning of the year	<b>1145.95</b>	2375.85
	Cash and cash equivalents at the end of the year	<b>1951.80</b>	1145.95

- Notes:** 1. Cash Flow statement has been prepared by following Indirect method  
2. Figures of previous year has been regrouped/restated/reclassified wherever necessary

**C V SANKAR, IAS**  
Chairman & Managing Director  
(DIN-00703204)

**A.VELLIANGIRI**  
Dy.Managing Director  
(DIN-00153169)

**V. SIVAKUMAR**  
Company Secretary

vide our report of even date  
**For RAMAN ASSOCIATE**  
Chartered Accountants  
Firm Reg. No.002910S

**G. VASUDEVAN**  
Partner  
Membership No.020739

Place : Chennai  
Date : 28th May, 2015

## NOTES TO ACCOUNTS

(Rs.in Lakh)

Note No.	Particulars	As at 31/3/2015	As at 31/3/2014
1)	<b>SHARE CAPITAL</b>		
a)	<b>Authorised, Issued, Subscribed and Paid-up Share Capital</b>		
	<b>Authorized:</b>		
	13,50,00,000 Equity Shares of Rs.10/- each	<u>13500.00</u>	<u>13500.00</u>
	<b>Issued:</b>		
	7,00,00,000 Equity Shares of Rs.10/- each	<u>7000.00</u>	<u>7000.00</u>
	<b>Subscribed and Fully Paid up:</b>		
	6,92,10,600 Equity Shares of Rs.10/- each fully paid up	<u>6921.06</u>	<u>6921.06</u>
	Add: Shares Forfeited	<u>16.72</u>	<u>16.72</u>
		<u>6937.78</u>	<u>6937.78</u>

## b) Shareholder Holding more than 5% of Equity Shares:

Sl.No.	Name of the Shareholder	As at 31/3/2015		As at 31/3/2014	
		No. of Shares in lakh	% of holding	No. of Shares in lakh	% of holding
1	Governor of Tamil Nadu	244.45	35.32	244.45	35.32
2	Life Insurance Corporation of India	68.91	9.96	68.91	9.96
3	HDFC Trustee Company Limited - HDFC Prudence Fund	39.82	5.75	39.82	5.75
4	Warburg Value Fund	35.00	5.06	35.00	5.06

(Rs.in Lakh)

Note No.	Particulars	As at 31/3/2015	As at 31/3/2014
2)	<b>RESERVES AND SURPLUS</b>		
	<b>(a) Capital Reserve</b>		
	Project Investment subsidy	<u>125.00</u>	<u>125.00</u>
	<b>(b) Share Premium</b>	<u>17973.11</u>	<u>17973.11</u>
	<b>(c) Debenture Redemption Reserve</b>		
	Opening Balance	3208.00	2638.00
	Add: Additions during the year	<u>542.00</u>	<u>570.00</u>
		<u>3750.00</u>	<u>3208.00</u>
	Less: Transfer to General Reserve	<u>3611.11</u>	<u>0.00</u>
		<u>138.89</u>	<u>3208.00</u>
	<b>(d) General Reserve</b>		
	Opening Balance	83223.03	73223.03
	Add : Addition during the year	<u>10000.00</u>	<u>10000.00</u>
	Add : Transfer from Debenture Redemption Reserve	<u>3611.11</u>	<u>0.00</u>
		<u>96834.14</u>	<u>83223.03</u>
	<b>(e) Hedging Reserve Account</b>	<u>(4975.66)</u>	<u>418.41</u>
	<b>(f) Surplus - Opening Balance</b>	<u>2712.07</u>	<u>2022.69</u>
	Less: Adjustment of Depreciation as per Note 7(b) of Schedule II to Companies Act, 2013 (Net of Deferred tax liability)	<u>713.97</u>	<u>0.00</u>
		<u>1998.10</u>	<u>2022.69</u>
	<b>Add: Profit / (Loss) for the period</b>	<u>16672.84</u>	<u>16117.76</u>
	<b>Amount available for appropriation</b>	<u>18670.94</u>	<u>18140.45</u>
	<b>Appropriations:</b>		
	Transfer to General Reserve	<u>10000.00</u>	<u>10000.00</u>
	Debenture Redemption Reserve	<u>542.00</u>	<u>570.00</u>
	Proposed Dividend	<u>4152.64</u>	<u>4152.64</u>
	Tax on Dividend	<u>845.38</u>	<u>705.74</u>
	<b>Surplus - Closing Balance</b>	<u>3130.92</u>	<u>2712.07</u>
	<b>TOTAL (a) + (b) + (c) + (d) + (e) + (f)</b>	<u>113226.40</u>	<u>107659.62</u>

## NOTES TO ACCOUNTS

(Rs.in Lakh)

Note No.	Particulars	As at 31/3/2015	As at 31/3/2014
3)	<b>LONG TERM BORROWINGS</b>		
	<b>A) Secured Loans</b>		
	<b>1) Debentures</b>		
	a) <b>11% Non-Convertible Debentures</b>	<b>0.00</b>	555.56
	Secured by a first charge on all the fixed assets of the company situated at Kagithapuram, Karur Dist., (movable & immovable ) on pari passu basis both present and future except Wind Mill & Bielomatic Cutter which are under specific charge to the respective term lenders including an equitable mortgage by deposit of title deeds in respect of 566.26 acres of land situated at Kagithapuram, Karur District, Tamilnadu		
	Total (1)	<b>0.00</b>	555.56
	<b>(2) Term Loans from Banks</b>		
	<b>Mill Expansion Plan</b>		
	- Other Foreign Currency Loan	<b>0.00</b>	3231.93
	Secured by a first charge on all the fixed assets of the company situated at Kagithapuram, Karur Dist., (movable & immovable ) on pari passu basis both present and future except Wind Mill & Bielomatic Cutter which are under specific charge to the respective term lenders including an equitable mortgage by deposit of title deeds in respect of 566.26 acres of land situated at Kagithapuram, Karur District, Tamilnadu.		
	<b>Mill Expansion Plan</b>		
	- Rupee Term Loans	<b>0.00</b>	1304.00
	Secured by a first charge on all the fixed assets of the company situated at Kagithapuram, Karur Dist., (movable & immovable ) on pari passu basis both present and future except Wind Mill & Bielomatic Cutter which are under specific charge to the respective term lenders including an equitable mortgage by deposit of title deeds in respect of 566.26 acres of land situated at Kagithapuram, Karur District, Tamilnadu and pari passu second charge on the current assets of the company viz., stock of raw materials, finished goods, stores and other movables.		
	<b>De-Inking Pulp Plant (DIP)</b>		
	- Foreign Currency Loan	<b>2689.64</b>	3348.62
	- Rupee Term Loans	<b>4130.00</b>	6490.00
	<b>Lime Sludge &amp; Fly Ash Management System(LSFM)</b>		
	- Rupee Term Loans	<b>3144.38</b>	5040.63
	<b>Revamping of Steam and Power System (RSPS)</b>		
	- Rupee Term Loans	<b>2300.00</b>	4600.00
	Secured by a first pari passu charge on fixed assets created out of respective loans.		

## NOTES TO ACCOUNTS

(Rs.in Lakh)

Note No.	Particulars	As at 31/3/2015	As at 31/3/2014
	<b>Term Loans-General Corporate Loan</b>		
	- Rupee Term Loans	<b>4300.00</b>	5500.00
	Secured by a first charge on Wind Mill movable assets and subservient charge on the fixed assets of the Company (excluding the machinery which has been specifically charged to the respective lenders) situated at Kagithapuram, Karur Dist.,.		
	- Rupee Term Loans	<b>8750.00</b>	10000.00
	Secured by a first charge on all the fixed assets of the company situated at Kagithapuram, Karur Dist., (movable & immovable ) on pari passu basis both present and future except Wind Mill & Bielomatic Cutter which are under specific charge to the respective term lenders including an equitable mortgage by deposit of title deeds in respect of 566.26 acres of land situated at Kagithapuram, Karur District, Tamilnadu and pari passu second charge on the current assets of the company viz., stock of raw materials, finished goods, stores and other movables.		
	- Rupee Term Loans	<b>8254.77</b>	0.00
	Secured by an exclusive first charge on movable & immovable properties of Mayanur Unit-EM of 38.40 acres of Land & Buildings and charge on Plant & Machinery and subservient charge on movable plant & machinery at Kagithapuram, Karur Dt.,		
	- Rupee Term Loans	<b>25000.00</b>	0.00
	Secured by a first pari passu charge on movable fixed assets of the company (except assets under specific charge to other lenders) situated at Kagithapuram, Karur Dist.,		
	<b>Multilayer Coated Board Plant</b>		
	- Rupee Term Loans	<b>77414.51</b>	19594.76
	Secured by a first pari passu charge on fixed assets to be created at Mondipatti out of respective term loans and first charge on all the movable fixed assets of the company situated at Kagithapuram, Karur Dist., Tamil Nadu on pari passu basis both present & future except which are under specific charge to the respective term lenders and an equitable mortgage by deposit of title deeds in respect of 566.26 acres of land situated at Kagithapuram, Karur District, Tamilnadu.		
	<b>B) Unsecured</b>		
	Term Loans-General Corporate Loan		
	Rupee Term Loans	<b>933.33</b>	4033.33
	Total (2)	<b>136916.63</b>	63143.27
	Total (1) + (2)	<b>136916.63</b>	63698.83

## NOTES TO ACCOUNTS

## TERMS OF REPAYMENT OF NON-CONVERTIBLE DEBENTURE AND TERM LOANS FROM BANKS AS AT 31.03.2015 (Rs.in Lakh)

Sl. No.	Particulars of Redemption / Repayment	Non Current	Current Maturities	Total
1	<b>11% Non-Convertible Debentures</b> 18 quarterly instalments commencing from 31.3.2011 and ends on 30.6.2015	0.00	555.56	555.56
		<b>0.00</b>	<b>555.56</b>	<b>555.56</b>
2	<b>Mill Expansion Plan</b>			
	- <b>External Commercial Borrowings (ECB)</b> DBS-8 half yearly instalments starting from 04.12.2011 to 04.06.2015	0.00	1248.20	1248.20
	- <b>Other Foreign Currency Loan</b> EXIM-17 quarterly instalments starting from 29.09.2011 to 01.01.2016	0.00	5062.02	5062.02
	- <b>Rupee Term Loans</b> IB-18 quarterly instalments starting from 30.09.2011 to 31.12.2015	0.00	1304.00	1304.00
3	<b>De-Inking Pulp Plant</b>			
	- <b>Foreign Currency Loan</b> EXIM-20 quarterly instalments starting from 20.09.2013 to 20.06.2018	2689.64	1075.86	3765.50
	- <b>Rupee Term Loans</b> CB-20 quarterly instalments starting from 31.03.2013 to 31.12.2017	3080.00	1760.00	4840.00
	IB-20 quarterly instalments starting from 31.03.2013 to 31.12.2017	1050.00	600.00	1650.00
		4130.00	2360.00	6490.00
4	<b>Lime Sludge &amp; Fly Ash Management System(LSFM)</b>			
	- <b>Rupee Term Loans</b> CB-20 quarterly instalments starting from 31.03.2013 to 31.12.2017	3144.38	1896.25	5040.63
5	<b>Revamping of Steam and Power System (RSPS)</b>			
	- <b>Rupee Term Loans</b> IB-20 quarterly instalments starting from 30.06.2012 to 31.03.2017	1500.00	1500.00	3000.00
	AXIS-20 quarterly instalments starting from 30.06.2012 to 31.03.2017	800.00	800.00	1600.00
		2300.00	2300.00	4600.00
6	<b>Multilayer Coated Board Plant</b>			
	- <b>Rupee Term Loans</b> SYB-18 quarterly instalments starting from 30.06.2017 to 30.09.2021	9195.32	0.00	9195.32
	SBT-18 quarterly instalments starting from 30.06.2017 to 30.09.2021	7662.13	0.00	7662.13
	IB-20 quarterly instalments starting from 30.06.2017 to 31.03.2022	15378.33	0.00	15378.33
	CB-18 quarterly instalments starting from 30.06.2017 to 30.09.2021	14621.29	0.00	14621.29
	UBI-18 quarterly instalments starting from 30.06.2017 to 30.09.2021	14631.39	0.00	14631.39
	P&S-22 quarterly instalments starting from 30.06.2017 to 30.09.2022	15926.05	0.00	15926.05
		77414.51	0.00	77414.51
7	<b>Rupee Term Loans-General Corporate Loan</b>			
	YES-4 half-yearly instalments starting from 30.04.2014 to 31.10.2015	0.00	1500.00	1500.00
	SBI-47 monthly instalments starting from 30.04.2015 to 28.02.2019	4300.00	1200.00	5500.00
	EXIM-16 quarterly instalments starting from 20.01.2016 to 20.09.2019	8750.00	1250.00	10000.00
	KOTAK-30 Monthly instalments starting from 24.05.2014 to 24.10.2016	933.33	1600.00	2533.33
	HDFC-13 quarterly instalments starting from 19.03.2016 to 19.03.2019	8254.77	769.23	9024.00
	SYB-8 half-yearly instalments starting from 31.08.2017 to 28.02.2021	10000.00	0.00	10000.00
	SBT-8 half-yearly instalments starting from 31.08.2017 to 28.02.2021	4000.00	0.00	4000.00
	CB-8 half-yearly instalments starting from 31.08.2017 to 28.02.2021	11000.00	0.00	11000.00
		47238.10	6319.23	53557.33
	<b>Total</b>	<b>136916.63</b>	<b>22121.12</b>	<b>159037.75</b>



## NOTES TO ACCOUNTS

(Rs.in Lakh)

Note No	Particulars	As at 31/3/2015	As at 31/3/2014
<b>4)</b>	<b>DEFERRED TAX LIABILITIES</b>		
	a) Deferred Tax Liabilities		
	Depreciation	<b>41083.00</b>	36315.00
	Sub Total (a)	<b>41083.00</b>	36315.00
	b) Deferred Tax Assets		
	Employees' Benefits	<b>3816.00</b>	3462.00
	Others	<b>1308.00</b>	1189.00
	Sub Total (b)	<b>5124.00</b>	4651.00
	Deferred Tax Liabilities (a) - (b)	<b>35959.00</b>	31664.00
<b>5)</b>	<b>LONG TERM PROVISIONS</b>		
	Employee Benefits	<b>10133.27</b>	9153.61
		<b>10133.27</b>	9153.61
<b>6)</b>	<b>SHORT TERM BORROWINGS</b>		
	<b>Loans Repayable on Demand</b>		
	<b>a) Secured</b>		
	Working Capital Loans - Banks		
	Cash Credit	<b>16849.88</b>	9368.53
	Buyer's Credit - Foreign Currency	<b>383.90</b>	733.72
	Short Term Loan	<b>2950.00</b>	8850.00
	Preshipment credit - Foreign Currency	<b>0.00</b>	2988.50
	Secured by a first charge on current assets of the company, namely raw materials, stock-in-process, semi-finished goods, finished goods, consumable stores & spares and receivables and a second charge by way of extension of equitable mortgage on immovable properties of the company in Kagithapuram, Karur District, Tamil nadu and second charge on the other fixed assets of the Company excluding Wind Mills, Vehicles and Computer Software and assets created/proposed to be created out of the ASRS, LSFM, RSPS and DIP projects.		
	Sub-Total (a)	<b>20183.78</b>	21940.75
	<b>b) Unsecured</b>		
	Short Term Loans from Banks		
	Pre-Shipment Credit - Foreign Currency	<b>0.00</b>	2390.80
	Buyer's Credit - Foreign Currency	<b>2744.17</b>	18208.83
	Rupee Loan	<b>24600.00</b>	2500.00
	Sub-Total (b)	<b>27344.17</b>	23099.63
	Total (a) + (b)	<b>47527.95</b>	45040.38

## NOTES TO ACCOUNTS

(Rs.in Lakh)

Note No.	Particulars	As at 31/3/2015	As at 31/3/2014
<b>7)</b>	<b>TRADE PAYABLES</b>		
	Acceptances	<b>16961.65</b>	4345.40
	Sundry Creditors		
	a) Micro and Small Enterprises	<b>1223.79</b>	2085.77
	b) Others	<b>39832.60</b>	40145.30
		<b>58018.04</b>	46576.47
<b>8)</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Current maturities of Long Term Debt	<b>22121.12</b>	38772.04
	Interest accrued but not due	<b>1210.55</b>	719.81
	Security Deposits from customers/contractors	<b>4006.16</b>	3581.05
	Unclaimed Dividend	<b>81.37</b>	75.50
	Matured Deposits - Unclaimed (Due to Investor Education and Protection Fund at the end of the year Rs.Nil (Previous Year Rs.Nil))	<b>0.00</b>	0.45
	Amount Payable to Banks	<b>5038.77</b>	1441.14
	Tax Payables	<b>823.20</b>	772.40
	Tax Deducted at Source (TDS)	<b>362.24</b>	325.97
	Payroll Liabilities	<b>2336.86</b>	2239.59
	Other payables	<b>17601.21</b>	5032.52
		<b>53581.48</b>	52960.47
<b>9)</b>	<b>SHORT TERM PROVISIONS</b>		
	Current Tax	<b>1411.00</b>	1613.98
	Proposed Dividend	<b>4152.64</b>	4152.64
	Tax on Dividend	<b>845.38</b>	705.74
	Employee Benefits	<b>1040.00</b>	1101.61
		<b>7449.02</b>	7573.97

## NOTES TO ACCOUNTS

Note No. 10

(Rs in Lakh)

DESCRIPTION	GROSS BLOCK			DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 1/4/2014	Additions/ (Deletions)	As at 31/3/2015	Upto 31/3/2014	For the period Additions / (Deletions)	Transferred to Retained Earning/ Unit-2 CWIP	Upto 31/3/2015	As at 31/3/2015	As at 31/3/2014
<b>A. TANGIBLE ASSETS</b>									
LAND	886.06	6162.98	<b>7049.04</b>	0.00	0.00	0.00	<b>0.00</b>	<b>7049.04</b>	886.06
BUILDINGS	34764.72	2069.53	<b>36834.25</b>	7857.97	1872.70	610.79	<b>10341.46</b>	<b>26492.79</b>	26906.75
RAILWAY SIDINGS	201.32	0.00	<b>201.32</b>	201.32	0.00	0.00	<b>201.32</b>	<b>0.00</b>	0.00
PLANT & MACHINERY	374546.25	4060.82	<b>378280.45</b>	160580.34	11400.05	258.30	<b>171944.93</b>	<b>206335.52</b>	213965.91
FURNITURE, FIXTURES & OTHER EQUIPMENTS	1529.94	(326.62)	<b>1602.23</b>	847.81	(293.76)	284.48	<b>1235.53</b>	<b>366.70</b>	682.13
VEHICLES	321.09	87.83	<b>399.86</b>	173.64	115.15	4.78	<b>214.90</b>	<b>184.96</b>	147.45
		(15.54)			(11.91)				
		81.23			38.86				
		(2.46)			(2.38)				
Sub-Total (A)	412249.38	12462.39	<b>424367.15</b>	169661.08	13426.76	1158.35	<b>183938.14</b>	<b>240429.01</b>	242588.30
		(344.62)			(308.05)				
<b>B. INTANGIBLE ASSETS</b>									
COMPUTER SOFTWARE	1378.46	101.98	<b>1480.44</b>	645.80	303.71	0.00	<b>949.51</b>	<b>530.93</b>	732.66
		0.00			0.00				
TOTAL	413627.84	12564.37	<b>425847.59</b>	170306.88	13730.47	1158.35	<b>184887.65</b>	<b>240959.94</b>	243320.96
		(344.62)			(308.05)				
CAPITAL WORK-IN-PROGRESS - TANGIBLE ASSETS									
								<b>63123.39</b>	9498.52
								<b>304083.33</b>	252819.48

Note:

- a) The Land includes Rs.149.69 Lakhs towards the value of 10 grounds and 425 sq.ft for the construction of Corporate Office building. The transfer of title of the said Land by the Government of Tamilnadu in favour of the company is yet to be done pending completion of necessary formalities.
- b) The Company availed of lease finance for 4 Nos of 750KW capacity each Wind Electric Generators in 2001 with lease rentals payable upto 31.03.2007. The Company has not opted for a secondary lease and hence no provision is made for secondary lease rent in the books. The formal transfer of assets by the lessor to TNPL is yet to be done pending completion of certain formalities.
- c) The company has entered into an agreement with the M/s. Sakthi Sugars Limited (SSL), Appakudal for procurement of bagasse on fuel substitution. As per the terms of the agreement, TNPL would bear initially entire capital cost. The sugar mill has to reimburse 50% of the capital cost and pay the same in 35 quarterly instalments bearing interest @ 9%. On completion of the payment, TNPL and the sugar mill will have joint ownership and equal rights on the assets installed at Appakudal.
- d) Additions to assets include a sum of Rs.325.28 lakhs (Previous Year Rs.4376.91 lakhs) towards adjustment of effects of changes in Foreign Exchange rates during the year relating to Foreign Currency Long-term loans availed of for acquisition of depreciable fixed assets.
- e) Pursuant to Companies Act, 2013 (the Act), becoming effective from 1st April 2014, the Company has re-worked depreciation with reference to useful lives of fixed assets prescribed under Schedule II to the Act. Due to this revision, depreciation is lower by Rs. 4866.80 lakh for the year ended 31.3.2015. Further, based on transitional provision in Note 7(b) of Schedule II, in case of assets whose useful lives are NIL as on 01.04.2014, the carrying value amounting to Rs.713.97 lakh (net of deferred tax) has been adjusted against retained earnings.

**CAPITAL WORK-IN-PROGRESS INCLUDES:****(Rs.in Lakh)**

Sl. No	Particulars	As at 31/3/2015	As at 31/3/2014
	<b>Tangible Assets</b>		
A)	Regular Projects	<b>6988.42</b>	6049.78
B)	Lime Sludge Fly Ash Management (LSFM)		
	Opening Balance (a)	<b>0.00</b>	13592.31
	<b>Additions:</b>		
	Plant and Machinery	<b>0.00</b>	706.75
	Sub-Total (b)	<b>0.00</b>	706.75
	Less: Transferred to Fixed Assets on capitalisation		
	Buildings	<b>0.00</b>	1205.14
	Plant and Machinery	<b>0.00</b>	11432.66
	Finance Costs	<b>0.00</b>	1376.26
	Transfer to Regular Projects	<b>0.00</b>	285.00
	Sub-Total (c)	<b>0.00</b>	14299.06
	Closing Balance (a)+(b)-(c)	<b>0.00</b>	0.00
C)	Revamping of Steam and Power System (RSPS)		
	Opening Balance (a)	<b>0.00</b>	11321.33
	<b>Additions:</b>		
	Plant and Machinery	<b>0.00</b>	5050.32
	Finance Costs	<b>0.00</b>	691.98
	Pre-Operative Expenses	<b>0.00</b>	138.91
	Sub-Total (b)	<b>0.00</b>	5881.21
	Less: Transferred to Fixed Assets on capitalisation		
	Buildings	<b>0.00</b>	1374.48
	Plant and Machinery	<b>0.00</b>	13244.30
	Finance Costs	<b>0.00</b>	2100.58
	Transfer to Regular Projects	<b>0.00</b>	483.18
	Sub-Total (c)	<b>0.00</b>	17202.54
	Closing Balance (a)+(b)-(c)	<b>0.00</b>	0.00
D)	Unit - 2 - Multilayer Coated Board Plant		
	Opening Balance (a)	<b>3448.74</b>	0.00
	<b>Additions:</b>		
	Land	<b>3292.01</b>	0.00
	Buildings	<b>13730.36</b>	2412.15
	Plant and Machinery	<b>28398.95</b>	138.78
	Finance Costs	<b>4009.35</b>	305.08
	Pre-Operative Expenses	<b>3986.57</b>	592.73
	Materials in hand	<b>2530.69</b>	0.00
	(b)	<b>55947.93</b>	3448.74
	Less: Transferred to Fixed Assets on capitalisation		
	Land	<b>3138.98</b>	0.00
	Plant and Machinery	<b>64.37</b>	0.00
	Vehicles	<b>45.50</b>	0.00
	Furnitures	<b>12.85</b>	0.00
	(c)	<b>3261.70</b>	0.00
	Closing Balance (a)+(b)-(c)	<b>56134.97</b>	3448.74
	Grand Total (A + B + C + D)	<b>63123.39</b>	9498.52
	<b>Intangible Assets</b>		
	Opening Balance	<b>0.00</b>	28.29
	<b>Additions:</b>	<b>0.00</b>	107.13
	Less: Transferred to Fixed Assets on capitalisation	<b>0.00</b>	135.42
	Closing Balance	<b>0.00</b>	0.00

## NOTES TO ACCOUNTS

(Rs.in Lakh)

Note No	Particulars	As at 31/3/2015	As at 31/3/2014
<b>11)</b>	<b>NON-CURRENT INVESTMENTS</b>		
	<b>Other Investments</b>		
	<b>Investment in Equity Instruments</b>		
	Quoted at cost :		
	IDBI Bank Limited		
	(142720 equity shares of Rs.10 each, fully paid)	<b>114.05</b>	114.05
	(Held by IL&FS Securities Services Ltd as collateral Security for taking hedging positions in Currency Futures)		
		<b>114.05</b>	114.05
	Note:		
	<u>Quoted Investment</u>		
	Aggregate Amount	<b>114.05</b>	114.05
	Market Value	<b>101.40</b>	93.41
<b>12)</b>	<b>CAPTIVE PLANTATIONS</b>		
	Standing crops	<b>1631.91</b>	2121.38
		<b>1631.91</b>	2121.38
	The break-up of Expenditure on Captive plantation is as under		
	Own Lands	<b>33.08</b>	24.80
	Leased Lands	<b>717.40</b>	1039.41
	Revenue sharing Lands	<b>881.43</b>	1057.17
	Total	<b>1631.91</b>	2121.38
<b>13)</b>	<b>LONG-TERM LOANS AND ADVANCES</b>		
	a) <b>Capital Advances</b>		
	Unsecured, considered good	<b>30496.18</b>	16789.81
	b) <b>Other Loans and Advances</b>		
	Advance to Sugar Mills		
	Secured, considered good	<b>9991.09</b>	8020.00
		<b>40487.27</b>	24809.81
<b>14)</b>	<b>INVENTORIES</b>		
	a) Raw materials		
	In Stock	<b>10016.45</b>	13312.70
	In Transit	<b>201.55</b>	66.40
	b) Work in process	<b>3579.05</b>	3716.73
	c) Stock of Finished Goods	<b>15375.32</b>	62.45
	d) Stock of Traded goods	<b>446.89</b>	23.73
	e) Stores, Consumables and spare parts		
	In Stock	<b>10665.67</b>	9736.22
	In Transit	<b>3052.14</b>	1618.25
		<b>43337.07</b>	28536.48



## NOTES TO ACCOUNTS

(Rs.in Lakh)

Note No	Particulars	As at 31/3/2015	As at 31/3/2014
<b>15)</b>	<b>TRADE RECEIVABLES</b>		
	a) Trade receivables (outstanding for more than six months from the due date for payment)		
	Unsecured, considered good	<b>5396.42</b>	313.37
	Sub-Total (a)	<b>5396.42</b>	313.37
	b) Trade receivables (others)		
	Unsecured, considered good	<b>44739.84</b>	37360.60
	Sub-Total (b)	<b>44739.84</b>	37360.60
	Total (a) + (b)	<b>50136.26</b>	37673.97
<b>16)</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	a) Balance with Banks		
	Unpaid Dividend accounts	<b>81.37</b>	75.50
	Current accounts	<b>1920.02</b>	1131.92
	Savings account	<b>2.88</b>	2.48
	Deposit accounts	<b>1.16</b>	1.16
	b) Cheques, drafts on hand	<b>22.45</b>	6.31
	c) Cash on hand	<b>5.29</b>	4.08
		<b>2033.17</b>	1221.45
<b>17)</b>	<b>SHORT TERM LOANS AND ADVANCES</b>		
	<b>Unsecured - Considered good:</b>		
	Advances recoverable in cash or in kind or for value to be received	<b>6545.38</b>	5951.22
	Advances & Deposits with Government and public bodies	<b>2830.28</b>	3157.35
	Balance with:		
	- Central Excise / TN VAT	<b>4297.73</b>	2791.25
	Prepaid Expenses	<b>571.19</b>	511.76
	MAT Credit Entitlement	<b>12098.30</b>	8952.95
		<b>26342.88</b>	21364.53
	<b>Unsecured - considered doubtful</b>	<b>21.46</b>	21.46
	Less: Allowance for bad and doubtful advances	<b>(21.46)</b>	(21.46)
		<b>26342.88</b>	21364.53
<b>18)</b>	<b>OTHER CURRENT ASSETS</b>		
	<b>Other Loans and Advances</b>		
	Advances to Sugar Mills		
	Secured, considered good - current maturities of Long Term Loans & Advances	<b>768.91</b>	1284.25
	Interest accrued on Advances/Deposits etc.,	<b>814.72</b>	1319.73
		<b>1583.63</b>	2603.98

## NOTES TO ACCOUNTS

(Rs.in Lakh)

Note No.	Particulars	For the Year ended 31/3/2015	For the Year ended 31/3/2014
<b>19)</b>	<b>SALES (Net of Sales Tax &amp; Sales Returns)</b>		
	Printing & Writing Paper:		
	- Domestic Sales	<b>173739.24</b>	197078.10
	- Export Sales	<b>38878.01</b>	33963.03
		<b>212617.25</b>	231041.13
	Less: Discounts	<b>18311.84</b>	16294.72
		<b>194305.41</b>	214746.41
	Cement	<b>7042.26</b>	4922.34
	Pulp	<b>1462.07</b>	877.51
	Energy	<b>3255.12</b>	1593.24
	<b><u>Sale of Traded Goods</u></b>		
	Note Books	<b>13402.44</b>	11508.69
	Paper	<b>91.79</b>	330.65
	Burnt Lime	<b>262.38</b>	0.00
	<b><u>Other Operating Income</u></b>		
	Export Incentive	<b>846.57</b>	920.15
	Incentive under Renewable Energy Certificate(REC)	<b>723.00</b>	1002.81
	Sale of scrap, wastes etc.	<b>2141.28</b>	2430.37
		<b>223532.32</b>	238332.17
<b>20)</b>	<b>OTHER INCOME</b>		
	Interest - Deposits/Advances/Over Due bills	<b>933.74</b>	807.52
	Dividend - Non-trade		
	- Long Term Investments	<b>0.39</b>	6.03
	Rental - Building	<b>95.84</b>	108.27
	Profit on Sale of Fixed Assets (Net)	<b>47.93</b>	56.69
	Other receipts	<b>586.34</b>	693.58
		<b>1664.24</b>	1672.09
<b>21)</b>	<b>COST OF PURCHASES / MATERIALS CONSUMED</b>		
	Raw materials consumed*	<b>35222.62</b>	35786.70
	Chemicals consumed	<b>20606.87</b>	21813.59
	Freight & Handling charges	<b>4459.10</b>	4202.31
	Packing Expenses	<b>4854.83</b>	4426.65
	Purchase of Bagasse	<b>5396.45</b>	4557.64
		<b>70539.87</b>	70786.89
<b>22)</b>	<b>PURCHASE OF STOCK IN TRADE</b>		
	Note Books	<b>12763.56</b>	9412.47
	Paper	<b>121.92</b>	317.47
	Burnt lime	<b>261.68</b>	0.00
		<b>13147.16</b>	9729.94

\* Excluding cost of Bagasse procured in lieu of steam/fuel supplied to sugar mills which is included in the respective natural heads of accounts.

## NOTES TO ACCOUNTS

(Rs.in Lakh)

Note No.	Particulars	For the Year ended 31/3/2015	For the Year ended 31/3/2014
<b>23)</b>	<b>CHANGES IN INVENTORIES OF</b>		
	Bagasse	2439.40	(1977.04)
	Work in Progress	137.68	741.15
	Finished Goods	(15736.03)	1733.44
		<u>(13158.95)</u>	<u>497.55</u>
<b>24)</b>	<b>EMPLOYEE BENEFIT EXPENSES</b>		
	Salaries, Wages and Bonus	12788.46	11047.07
	Contribution to Provident and Other funds	1789.24	1580.04
	Gratuity and Leave Encashment	1692.88	1593.06
	Staff Welfare	1624.41	1359.28
		<u>17894.99</u>	<u>15579.45</u>
<b>25)</b>	<b>FINANCE COSTS</b>		
	Term Loans	6680.44	6611.98
	Working Capital	6807.92	5626.66
	Others	2004.21	582.51
		<u>15492.57</u>	<u>12821.15</u>
<b>26)</b>	<b>OTHER EXPENSES</b>		
	Stores consumed	2244.37	1680.17
	Power, Fuel & Water charges	44173.41	48834.92
	Repairs and maintenance:		
	- Building	900.37	1455.49
	- Plant and machinery	12690.50	15006.91
	- Others	272.08	410.14
	Rent	332.74	133.11
	Rates and Taxes	1205.32	305.75
	Insurance	292.04	240.25
	Transportation Charges	4579.31	3991.28
	Commission & Discount on Sales	4016.69	5005.56
	Travelling & Conveyance	331.91	313.74
	Auditors' Remuneration	12.58	14.23
	Printing and Stationery	85.76	73.36
	Communication	119.21	112.76
	Advertisement	364.75	458.42
	Farm Forestry	481.01	398.75
	Loss on Foreign Exchange Fluctuations (Net)	397.79	667.35
	Miscellaneous @	2078.56	2178.03
		<u>74578.40</u>	<u>81280.22</u>

@ Includes Corporate Social Responsibility (CSR) Expenditure during the year Rs.372.57 lakh.

## NOTES TO ACCOUNTS

(Rs.in Lakh)

Note No.	Particulars	As at 31/3/2015	As at 31/3/2014
<b>27)</b>	<b>CONTINGENT LIABILITIES AND COMMITMENTS</b>		
	<b>(TO THE EXTENT NOT PROVIDED FOR)</b>		
	<b>A) CONTINGENT LIABILITIES</b>		
	a) Claims against the company not acknowledged as debts - Statutory Dues		
	i) Income-tax	<b>9825.28</b>	6885.27
	ii) Wealth Tax	<b>19.46</b>	19.46
	iii) Custom Duty	<b>355.32</b>	271.21
	iv) Excise Duty	<b>35067.36</b>	32769.15
	v) CST/VAT	<b>690.97</b>	0
	b) Claims against the company not acknowledged as debts - Others		
	i) Corporate Office - Land	<b>22.80</b>	22.80
	ii) Land Acquisition Claims	<b>137.65</b>	136.12
	iii) Cess on Land Lease at Perungudi - Wind farm	<b>92.74</b>	92.74
	iv) Interest on Water Royalty paid belatedly	<b>82.48</b>	82.48
	v) Lease - Wind Mill	<b>8.12</b>	8.12
	vi) Interest - ABFSL	<b>138.24</b>	138.24
	vii) Interest on Generation Tax	<b>1429.63</b>	1429.63
	viii) Others	<b>660.73</b>	257.26
	c) Concession in customs duty availed for imports cleared under EPCG Scheme	<b>13286.10</b>	1550.16
	d) Revenue sharing agreement under captive plantation	Non-Quantifiable	
	e) Guarantees issued by the banks on behalf of the Company	<b>3463.51</b>	2633.06
	f) Letter of Credit issued by banks on behalf of the Company		
	Unit - 1 - Paper	<b>7772.40</b>	10142.26
	Unit - 2 - Multilayer Coated Board Plant	<b>28081.95</b>	35012.04
	Sub-Total (A)	<b>101134.74</b>	91450.00
	<b>B) COMMITMENTS</b>		
	a) Estimated amount of contracts remaining to be executed on capital account and not provided for		
	Regular Capital Project	<b>862.13</b>	1060.12
	Unit - 2 - Multilayer Coated Board Plant	<b>56674.86</b>	71253.43
	Sub-Total (B)	<b>57536.99</b>	72313.55
	<b>Total (A) + (B)</b>	<b>158671.73</b>	163763.55

## NOTES TO ACCOUNTS

(Rs.in Lakh)

Note No.	Particulars	2014 - 2015	2013 - 2014
28)	<b>I) Additional Information:-</b>		
	<b>a) Value of Raw Materials, Chemicals, Stores &amp; Spare Parts consumed</b>		
	<b>i) Major Raw Materials consumed</b>		
	<b>a) Indigenous</b>		
	Wood	20592.26	20538.51
	Bagasse @	27805.08	23977.17
	Waste Paper	1930.69	2436.17
	LSFM - Raw materials	976.73	850.44
	Total (a)	51304.76	47802.29
	<b>b) Imported</b>		
	Imported Pulp	4843.77	6567.84
	Waste Paper	6879.17	5393.73
	Total (b)	11722.94	11961.57
	Total - (a) + ( b )	63027.70	59763.86
	Indigenous - Percentage on Total Consumption	81.40%	79.99%
	Imported - Percentage on Total Consumption	18.60%	20.01%
		100.00%	100.00%
	@ Bagasse is procured both from open market and under barter arrangement with various sugar mills by exchange of fuel/steam. The consumption value of bagasse represents the cost of procurement of bagasse from open market and cost of production of steam/fuel supplied to Sugar Mills in exchange for bagasse, freight, handling charges etc. The cost of bagasse procured on barter is accounted on depithed basis and the same is included in the respective heads of accounts		
	<b>ii) Chemical consumed</b>		
	Indigenous	18438.28	19071.01
	Imported	2168.59	2742.58
	Total	20606.87	21813.59
	Indigenous - Percentage on Total Consumption	89.48%	87.43%
	Imported - Percentage on Total Consumption	10.52%	12.57%
		100.00%	100.00%
	<b>iii) Stores and Spares consumed</b>		
	Indigenous	7164.58	8700.28
	Imported	3934.27	4848.27
	Total	11098.85	13548.55
	Indigenous - Percentage on Total Consumption	64.55%	64.22%
	Imported - Percentage on Total Consumption	35.45%	35.78%
		100.00%	100.00%



## NOTES TO ACCOUNTS

(Rs.in Lakh)

Note No.	Particulars	2014 - 2015	2013 - 2014
iv)	<b>Fuel</b>		
	<b>Factory</b>		
	Indigenous	5047.33	7554.84
	Imported	20902.57	21421.96
	Sub-Total (a)	25949.90	28976.80
	<b>Offsites</b>		
	Indigenous	334.80	339.64
	Imported	14647.30	15011.13
	Sub-Total (b)	14982.10	15350.77
	Total (a) + (b)	40932.00	44327.57
	Indigenous - Percentage on Total Consumption	13.15%	17.81%
	Imported - Percentage on Total Consumption	86.85%	82.19%
		100.00%	100.00%
b)	<b>Foreign Currency Transactions:</b>		
i)	<b>Earnings in Foreign Currency</b>		
	FOB Value of Exports	36567.29	33436.35
ii)	<b>Value of imports calculated on CIF values</b>		
	Wood pulp	4706.36	5911.30
	Chemicals	1198.53	2382.17
	Waste Paper	6070.36	5363.47
	Stores & Spares	3735.14	5386.27
	Coal	29954.49	30182.63
	Capital Goods - Unit 1	826.03	456.87
	Capital Goods - Unit 2	24332.86	0.00
iii)	<b>Other expenditure in Foreign Currency</b>		
	Engineering and Supervisory Charges	141.76	241.29
	Interest	699.20	1627.94
	Others	264.33	202.99
iv)	<b>Dividend remitted in Foreign Currency</b>	2013-14	2012-13
	No. of Non-Resident Shareholders	6	6
	No. of Share held by Non-Resident Shareholders	1900	1900
	Dividend	0.11	0.10
c)	<b>Details of Auditors Remuneration</b>	2014-15	2013-14
	a) Statutory audit	7.50	7.50
	b) Limited Review	1.88	1.88
	c) Tax audit	1.25	1.25
	d) Certification fees	1.95	1.85
	e) Relating to previous years		
	- Statutory Audit	0.00	1.50
	- Tax Audit	0.00	0.25
	Total	12.58	14.23

## NOTES TO ACCOUNTS

(Rs.in Lakh)

Note No.	Particulars	2014 - 2015	2013 - 2014
<b>d)</b>	<b>Earning Per Share (EPS)</b>		
	Weighted Average Number of Shares	<b>69210600</b>	69210600
	Number of Shares outstanding at year end	<b>69210600</b>	69210600
	<b>EPS (Rs.)</b>	<b>24.09</b>	23.29
<b>e)</b>	<b>Intangible Assets - Expenditure on Research &amp; Development</b>		
	Salaries & Wages	<b>121.21</b>	103.13
	Repairs and Maintenance	<b>13.23</b>	20.79
	Depreciation	<b>58.86</b>	42.03
	Chemicals	<b>413.26</b>	129.30
	Total	<b>606.56</b>	295.25
	Note: The above items have been included under the respective natural heads of expenditure in Statement of Profit and Loss.		
<b>f)</b>	<b>Amount due to Micro, Small and Medium Enterprises Development Act, 2006 registered suppliers</b> (Based on the status confirmation received from suppliers)		
	a) Amount due and outstanding to suppliers at the end of accounting year	<b>1223.79</b>	2085.77
	b) Interest paid during the year	<b>Nil</b>	Nil
	c) Interest payable at the end of accounting year	<b>6.39</b>	Nil
	d) Interest accrued and unpaid at the end of accounting year	<b>Nil</b>	Nil
<b>g)</b>	<b>OTHER CURRENT LIABILITIES:</b>		
	<b>Other payables includes:</b>		
	a) Rs.2410.35 lakh being the guarantee commission in respect of IBRD Loan guaranteed by Govt. of India lying since 2002		
	b) Rs.3124.24 lakh being Electricity Generation Tax for the generation of energy from captive generation plant for own use.		
<b>h)</b>	Confirmation of balances from Debtors, Creditors and for Loans and Advances have been received and the same is being reconciled		
<b>i)</b>	Farm Forestry Expenditure is charged-off to the Statement of Profit and Loss, in the year in which it is incurred, since it could not be matched with wood procured from farmers.		
<b>j)</b>	<b>Non Moving Stores &amp; Spares</b>		
	Stores and spares not drawn for use for more than three years as at the end of the year are charged to revenue. Such stores and spares are carried at nil value in the books and in the year of issue, charged to revenue at nil value.		

## NOTES TO ACCOUNTS

(Figures in Million)

Note No.	Nature of Exposure and Currency	31.3.2015	31.3.2014	Underlying Risk Coverage
	<b>k) a) Outstanding Forward Contracts &amp; Financial Instruments which are in substance Forward Contracts</b>			
	i) Firm Future Commitments / Probable forecast Transactions			
	Exports - USD	13.536	16.568	USD / INR
	Imports - Revenue - USD	2.345	8.101	USD / INR
	Imports - Revenue - EURO	-	0.100	EURO/INR
	ii) Balance Sheet Items			
	Packing Credit - USD	-	9.000	USD / INR
	Buyers' Credit - USD	5.012	31.692	USD / INR
	Suppliers' Credit - USD	-	3.072	USD / INR
	Term Loan - FCNR (B)	-	7.326	USD / INR
	Term Loan - ECB Loan - USD-Interest Rate Swap	-	3.750	USD / INR
	Term Loan - ECB Loan - JPY	-	52.570	JPY / USD
	<b>b) Unhedged Foreign Currency Exposure - Assets &amp; Liabilities</b>			
	Term Loan - ECB Loan - JPY	-	883.019	JPY / INR
	Term Loan - ECB Loan - USD	2.000	12.750	USD/INR
	Term Loan - FCNR (B) Loan - USD	8.111	16.222	USD/INR
	Term Loan - FCNR (B) Loan - USD	6.033	7.326	USD/INR
	Outstanding Export Bills - USD	5.671	1.964	USD/INR

**I) THE MOVEMENT IN HEDGING RESERVE DURING THE YEAR ENDED 31ST MARCH, 2015 FOR DERIVATIVES DESIGNATED AS CASH FLOW HEDGE IS AS FOLLOWS:**

(Rs.in Lakh)

Sl. No.	Particulars	Hedge relating to Firm Commitment	Hedge relating to forecast Transactions	Total
1	Balance at the beginning of the year	(124.97)	543.38	418.41
2	Changes in the fair value of hedges at the exchange rate on the date of settlement of the underlying transactions	(34.95)	177.39	142.44
3	Gains/(Losses) transferred to the Statement of Profit & Loss / carrying cost of Non Monetary assets/liabilities	(159.92)	720.77	560.85
4	Changes in the fair value of the effective portion of the outstanding cash flow hedges.	(5142.76)	167.10	(4975.66)
5	Gains/(losses) Relating to discontinued cash flow hedge transferred to the Statement of Profit & Loss.	0.00	0.00	0.00
6	Balance at the year end - 31.03.2015	(5142.76)	167.10	(4975.66)

**II a) SIGNIFICANT ACCOUNTING POLICIES****Disclosure of Accounting Policies****Basis of Preparation of Financial Statements**

The financial statements have been prepared using historical cost convention and on the basis of going concern, with revenues recognised, expenses accounted on accrual basis, unless otherwise stated and in accordance with generally accepted accounting principles in India [Indian GAAP] and Accounting Standards notified under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies [Accounts] Rules, 2014.

**Use of Estimates:**

The preparation of financial statements requires management to make judgments, estimates and assumptions of some of the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements and amounts of revenues and expenses during the period reported. However any revision to accounting estimates or difference between the actual results and estimates are recognized prospectively in the period in which the results are known / materialised

**Valuation of Inventories**

- a) Inventories excluding wood from captive plantation are valued at cost or net realisable value, whichever is lower. Cost represents all cost of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Cost for the purpose of valuation is determined by using the weighted average cost, net of taxes and duties eligible for credit, except note books where stocks are valued at lower of cost and net realisable value on FIFO Basis.
- b) Wood from captive plantation is valued at cost (incurred till date of felling) or market price whichever is less. Standing Crops are valued at the total amount of expenditure incurred (including land development expenditure), adjusted for failed plantation costs and incidental revenue realized.
- c) Bagasse consumption value and stock is valued at weighted average cost, net of taxes and duties eligible for credit.
- d) Work-in-Process  
Paper in process is valued at cost which includes cost of inputs, net of taxes and duties eligible for credit and overheads upto the stage of completion.
- e) Non Moving Stores & Spares  
Stores and spares not drawn for use for more than three years as at the end of the year are charged to revenue. Such stores and spares are carried at nil value in the books and in the year of issue, charged to revenue at nil value.

**Cash Flow Statements**

Cash Flow Statement has been prepared under Indirect Method. Cash and Cash Equivalents comprise Cash in Hand, Current and Other Accounts (including Fixed Deposits) held with Banks.

**Events occurring after the Balance Sheet Date**

- a) Assets and Liabilities are adjusted for events occurring after the balance sheet date that provide additional evidence to assist the estimation of amounts relating to conditions existing at the balance sheet date.
- b) Dividends, which are proposed / declared by the Company after the Balance Sheet date but before the approval of the Financial Statements, are adjusted.

**Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies**

Extra-ordinary Items, and Prior Period Incomes and Expenditures, are accounted in accordance with Accounting Standard 5.

**Depreciation Accounting**

- a) Depreciation on tangible and intangible assets is charged over the useful life of the assets in straight line method in accordance with Schedule II to the Companies Act, 2013.
- b) Depreciation on additions / deductions in respect of fixed assets are charged pro-rata from / upto the date in which the asset is available for use / disposal
- c) Depreciation on addition to assets (which are to supplement the usage of the parent asset) is provided as detailed below: -
  - i) In respect of additions to existing Buildings, Depreciation has been provided prospectively over the residual life of the parent asset from the beginning of the year in which such additions are made.
  - ii) In respect of additions to existing Plant and Machinery, Depreciation has been provided prospectively over the residual useful life of the parent asset from the beginning of the year in which such addition is made.
  - iii) In respect of rebuild / upgrade of machinery leading to substantial capacity expansion, depreciation is charged over the useful life of the assets in straight line method in accordance with Schedule II to the Companies Act, 2013.

- d) In respect of modernisation programme leading to replacement of existing assets, depreciation is provided over the remaining useful life of the assets getting replaced.
- e) In respect of Individual Assets costing less than Rs.5000/-, full depreciation has been provided in the year of addition.
- f) In respect of specific spares  
Machinery spares specific to an item of fixed asset costing Rs.3 lakh and above per individual unit are treated as addition to fixed asset and depreciation provided over the remaining useful life of the parent asset. In the year of issue, written down value of such spares are charged as depreciation. Spares acquired during the year and issued for use during the year is treated as addition to fixed asset and 100% depreciation is provided.
- g) Pending renewal of agreements with some of the sugar mills, depreciation on fixed assets at such Offsite is charged over the useful life of the assets in straight line method in accordance with Schedule II to the Companies Act, 2013, considering the continued arrangement for procurement of bagasse from sugar mills.

#### **Revenue Recognition**

- a) Sales are accounted net of excise duty, sales tax and sales returns.
- b) Other items of revenue are recognised in accordance with the Accounting Standard (AS-9). Accordingly, where there are uncertainties in the ascertainment / realisation of income such as interest from customers (upon factors such as financial condition of the person from whom the same is to be realised) / Liquidated damages recovered from suppliers / contractors, the same is not accounted for.
- c) Liquidated damages and penalties recovered from suppliers/contractors, in relation to fixed assets are credited to Statement of profit and loss unless the delay has resulted in extra cost of assets, in which case the same are adjusted towards the carrying cost of the respective asset.
- d) Clean Development Mechanism [CDM] benefits are recognized in the Statement of profit and loss upon issue of Certified Emission Reduction [CER] by the Executive Board of CDM and Execution of Emission Reduction Purchase Agreement with the Buyer.
- e) Renewable Energy Certificate (REC) benefits are recognized in the statement of Profit and Loss on sale of REC's.
- f) Dividend from investments is recognized when the right to receive the payment is established.

#### **Accounting for Fixed Assets**

##### **Fixed Assets**

- a) Fixed Assets are stated at cost of construction or acquisition less accumulated depreciation. Costs attributable to bring the fixed assets to a working condition are capitalised net of taxes and duties eligible for credit.
- b) Additional compensation for lands acquired from farmers under Land Acquisition Act, 1894 is capitalised with the cost of the land in the year of payment based on final award of compensation by appropriate authority.
- c) Operating software is capitalised with the related fixed assets.
- d) Machinery spares specific to an item of fixed asset are treated as addition to fixed asset.

##### **Capital Work-in-Progress**

Cost of assets (net of taxes and duties eligible for credit) not put to use before the year-end are disclosed under Capital Work-in-Progress.

In respect of identified projects, expenditure incurred during construction period net of related income is included under capital work in progress and the same is allocated to the respective fixed assets that are capitalised.

Assets are capitalised when they are ready for use / put to use.

##### **Accounting for Effects in Foreign Exchange Rates**

- a) Foreign currency monetary items such as current assets and current liabilities are initially recognized at the exchange rate on the date of the transaction. These items are reported at the closing rate on the balance sheet date.
- b) Forward exchange contracts or other financial instruments, that are in substance, a forward exchange contracts entered into for hedging the monetary items are initially recognized at the exchange rate on the date of inception of the Forward Contract. The company does not enter into any forward contracts for trading or speculative purposes.
- c) The Premium or Discount arising at the inception of such a Forward Contract is amortised as expense or income over the life of the contract.
- d) Forward contracts are reported at the closing rate on the date of the balance sheet.
- e) Exchange differences other than those covered under para(g) arising on reporting the above items at rates different from which they were initially recorded during the period or reported in the previous financial statements are recognized as income / expenditure in the Statement of Profit and Loss.

- f) Contingent liabilities denominated in foreign currency at the balance sheet date are disclosed using the closing rate.
- g) Pursuant to insertion of paragraph 46A in Accounting Standard – 11 (AS-11) by the Companies (Accounting Standard) (Second Amendment) Rules, 2011 vide Notification GSR 913(E) & Notification No.GSR 914(E) dated 29-12-2011, issued by the Ministry of Corporate Affairs, Government of India, the Company has exercised the option of capitalizing the exchange difference on Long Term Foreign Currency Loans in relation to depreciable fixed assets / Capital Work-in-Progress with effect from 01-04-2011.

#### **Accounting for Government Grants**

Capital Grants relating to specific fixed assets are reduced from the gross value of the respective fixed assets and other Capital Grants are treated as Capital Reserve.

Government grants relating to revenue are recognised on accrual and are shown under other income.

#### **Accounting for Investments**

- a) Long-term investments are valued at cost. Provision, if any, is made to recognise a decline other than a temporary, in the value of long-term investments. Decline in the value of long-term investments is determined initially ten years from the date of its purchase and thereafter once in a period of five years.
- b) Current investments are valued at lower of cost and fair market value.

#### **Employee Benefits**

- a) Short term employee benefits are charged at the undiscounted amount to Statement of Profit and Loss in the year in which the related service is rendered.
- b) Defined benefit plan / long term compensated absence
  - i) Provident Fund
 

The Company pays fixed contribution to provident fund at pre-determined rates to a separate irrevocable trust approved by the Commissioner of Income Tax, which invests the fund in permitted securities. The contribution to the fund for the period is recognised as expenses and is charged to Statement of Profit and Loss. While the obligation to the Company is limited to such fixed contribution, as per the rules of Employee's Provident Fund (EPF) any deficiency in the rate of interest on the contribution based on its return on investment as compared to the rate declared for Employees Provident Fund by the Government under para 60 of the Employees Provident Fund Act is to be met by the Company. Also as per the rules, any deficiency in the fair value of plan assets backing the Provident Fund accumulations compared to the amount of such accumulations is to be met by the company.
  - ii) Gratuity and long term compensated absence:
 

Liabilities in respect of defined benefit plan in the form of gratuity and Long term compensated absences are determined based on actuarial valuation made by an independent actuary using projected unit credit method as at the balance sheet date and are unfunded.
- c) Defined Contribution
 

Defined contributions towards retirement benefits in the form of Pension and Superannuation Fund for the year are charged to Statement of Profit and Loss.

#### **Borrowing cost**

Borrowing costs, attributable to qualifying assets, are capitalised up to the date the asset is ready for use / put to use. All other borrowing costs are charged to revenue.

#### **Segment Reporting**

- a) The company has identified business segments viz. Paper, Energy and Cement. Revenue and expenses have been identified to respective segments on the basis of operating activities of the enterprise. Revenue and expenses which relate to the enterprise as a whole and are not allocable to a segment on a reasonable basis have been disclosed as unallocable revenue and expenses.
- b) Segment assets and liabilities represent assets and liabilities in respective segments. Other assets and liabilities that cannot be allocated to a segment on a reasonable basis have been disclosed as unallocable assets and liabilities.
- c) Inter segment revenue / expenditure is recognized at cost.
- d) Geographical segments have been considered for Secondary Segment Reporting by treating sales in India and foreign currency as reportable geographical segments.

#### **Related Party Transactions**

Remuneration to Key Managerial Personnel, other than Independent Non-executive Directors, is disclosed as 'Related Party Transactions' in the Notes to Accounts.



**Leases**

Rentals are expensed with reference to lease terms and other considerations.

**Earnings per Share**

- a) Basic Earnings per share is computed with reference to the Weighted Average number of Shares, based on monthly rests.
- b) Diluted Earnings per share is computed based on fully paid-up value of the Shares issued, as if Calls-in-Arrears has been received.

**Accounting for Taxes on Income**

Income-tax expense is accounted in accordance with AS 22 - "Accounting for taxes on Income" which includes current taxes and deferred taxes. Current tax is net of Minimum Alternative Tax [MAT] credit entitlement, which is recognised when there is convincing evidence that the Company will pay normal income tax during the specified period credit set off is allowed under the Income-tax Act.

Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available.

Deferred tax assets and liabilities are measured using the tax rates and tax law that have been enacted or substantively enacted by the Balance Sheet date.

**Intangible Assets****General:**

- a) Intangible assets are stated at cost less accumulated amortisation.
- b) Computer software being intangible asset is amortised over a period of four years.

**Research and Development:**

- a) Expenditure relating to capital items are treated as fixed assets and depreciated at applicable rates.
- b) Other expenditure on Research is recognised as an expense under respective natural heads, as and when incurred.

**Impairment of Assets**

The Company determines the Impairment of Assets based on Cash Generating Units. For this purpose, the Cash Generating Units have been based on segments of operations, viz., 'Paper & Pulp', 'Energy' and 'Cement'. The impairment loss will be provided if the carrying amount exceeds recoverable amount.

**Provisions, Contingent Liabilities and Contingent Assets**

- a) A present obligation, which could be reliably estimated, is provided for in the accounts, if it is probable that an outflow of resources embodying economic benefits will be required for its settlement.
- b) Contingent Liabilities are disclosed by way of notes in the Balance Sheet.
- c) Contingent Assets are neither recognised nor disclosed.

**Accounting of Derivative Financial Instruments**

The Company uses foreign currency forward contracts to hedge its risks associated with foreign currency fluctuations relating to certain firm future commitments and probable forecast transactions. The Company designates these hedging instruments as cash flow hedges applying the recognition and measurement principles set out in the Accounting Standard 30 "Financial Instruments : Recognition and measurement" (AS – 30).

Hedging instruments are initially measured at fair value, and are remeasured at subsequent reporting dates. Changes in the fair value of these derivatives that are designated and effective as hedges of future cash flows are recognized directly in hedge reserve account and the ineffective portion is recognized immediately in Statement of profit and loss.

Changes in the fair value of derivative financial instruments that do not qualify for hedge accounting are recognized in Statement of profit and loss as they arise.

Hedge accounting is discontinued when the hedging instrument expires or is sold, terminated, or exercised, or no longer qualifies for hedge accounting. If a hedged transaction is no longer expected to occur, the net cumulative gain or loss recognized in hedge reserve account is transferred to Statement of profit and loss.

The gain / loss on the hedging instrument in respect of a probable forecast transaction / firm future commitment in respect of a non financial asset / liability is recognized in the hedge reserve account. Upon the probable forecast transaction / firm future commitment subsequently resulting in the recognition of a non financial asset / liability, the associated gain / loss recognized in the hedge reserve account is transferred to the initial cost / carrying cost of the non financial asset / liability.

**b) Accounting Standard Disclosures:****i) Employee Benefit (AS-15)**

- a) The fair value of the asset of the provident fund trust including the return on the assets thereof, as on the balance sheet date is greater than the obligations under the defined contribution plan, as determined by the actuary and requires no further charge to Statement profit and loss.

**b) Other Defined Benefits****(Rs. in Lakh)**

TYPE OF PLAN	GRATUITY		LEAVE ENCASHMENT	
	2014-15	2013-14	2014-15	2013-14
PERIOD OF DISCLOSURE	UNFUNDED		UNFUNDED	
<b>RECONCILIATION OF OPENING AND CLOSING BALANCES:</b>				
PVO as at the beginning of the period	7257.64	6764.15	2997.57	2354.37
Interest Cost	638.11	540.31	256.25	179.80
Current service cost	341.02	315.91	190.83	235.53
Benefits paid	(490.80)	(187.16)	(363.32)	(269.20)
Actuarial loss/(gain) on obligation (balancing figure)	(210.56)	(175.57)	556.53	497.07
PVO as at the end of the period	7535.41	7257.64	3637.86	2997.57
<b>EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS</b>				
Current service cost	341.02	315.91	190.83	235.53
Interest Cost	638.11	540.31	256.25	179.80
Expected return on plan assets	0.00	0.00	0.00	0.00
Net actuarial (gain)/loss recognized in the year	(210.56)	(175.57)	556.53	497.07
Expenses recognized in the statement of profit and loss	768.57	680.65	1003.61	912.40
<b>Net Assets(Liability) recognized in the Balance Sheet</b>				
Present value of obligation	7535.41	7257.64	3637.86	2997.57
Fair value of plan assets	0.00	0.00	0.00	0.00
Difference	7535.41	7257.64	3637.86	2997.57
Liability recognized in the balance sheet	7535.41	7257.64	3637.86	2997.57
<b>ASSET/LIABILITY RECOGNIZED IN THE BALANCE SHEET</b>				
Opening net liability	7257.64	6764.15	2997.57	2354.37
Expense as above	768.57	680.65	1003.61	912.40
Contribution paid	(490.80)	(187.16)	(363.32)	(269.20)
Closing net liability recognized in Balance Sheet	7535.41	7257.64	3637.86	2997.57
<b>PRINCIPAL ACTUARIAL ASSUMPTIONS</b>				
<b>[Expressed as weighted averages]</b>				
Discount Rate	7.80%	9.10%	7.80%	9.10%
Salary escalation rate	7.00%	8.00%	7.00%	8.00%
Attrition rate	3.00%	3.00%	3.00%	3.00%
<b>ENTERPRISE'S BEST ESTIMATE OF CONTRIBUTION DURING NEXT YEAR</b>	500.00	200.00	370.00	300.00

## ii) Segment Reporting: (AS-17)

## a) Primary Segments

(Rs. In lakh)

Particulars	Year Ended 31.03.15	Year Ended 31.03.14	Year Ended 31.03.15	Year Ended 31.03.14	Year Ended 31.03.15	Year Ended 31.03.14	Year Ended 31.03.15	Year Ended 31.03.14
	Paper		Energy		Cement		Total	
<b>1 Segment Revenue</b>								
a) External Sales	200271.98	218080.86	3255.12	1328.69	6334.76	4759.53	209861.86	224169.08
b) Inter Segment Sales	0.00	0.00	26454.46	28296.72	975.61	0.00	27430.07	28296.72
Sub-Total	200271.98	218080.86	29709.58	29625.41	7310.37	4759.53	237291.93	252465.80
Less: Inter Segment Revenue			26454.46	28296.72	975.61		27430.07	28296.72
Net Sales / Income from Operations			3255.12	1328.69	6334.76		209861.86	224169.08
<b>Total Segment Revenue</b>	200271.98	218080.86	3255.12	1328.69	6334.76	4759.53	209861.86	224169.08
<b>2 Segment Results</b>	38850.05	34409.64	961.44	367.93	165.85	(735.05)	39977.35	34042.52
(Profit (+) / Loss (-) before tax and Interest)								
<b>Less:</b>								
i) Interest							15492.57	12821.15
ii) Other unallocable expenditure net of unallocable income							1472.24	953.80
iii) Exceptional Items							0.00	0.00
<b>Profit Before Tax</b>							23012.54	20267.57
Provision for Taxation							6339.69	4149.81
<b>Profit after Tax</b>							16672.84	16117.76
<b>3 Other Information</b>								
Segment Assets	356570.21	276498.45	37287.01	37491.24	14877.75	15035.00	408734.97	329024.69
Unallocated Corporate Assets							20527.32	17430.63
<b>Total Assets</b>	356570.21	276498.45	37287.01	37491.24	14877.75	15035.00	429262.29	346455.32
Segment Liabilities	59927.85	54344.55	2221.30	1715.24	6240.30	6507.16	68389.45	62566.95
Unallocated Corporate Liabilities							98187.05	89584.34
<b>Total Liabilities</b>	59927.85	54344.55	2221.30	1715.24	6240.30	6507.16	166576.50	152151.29
Capital Expenditure (excludes unallocated corporate capital expenditure of Rs. 84.29 lakh. Previous year Rs. 134.33 lakh)	8287.63	24128.42	530.91	15854.31	522.55	14053.40	9341.09	54036.13
Depreciation (excludes other unallocated corporate depreciation of Rs.139.05 lakh. Previous year Rs. 56.63 lakh)	11516.68	16428.09	1497.53	2037.83	585.21	709.17	13599.42	19175.09

**b) Geographical Segment****(Rs. In lakh)**

Particulars	India		Rest of the world		Total	
	31.03.15	31.03.14	31.03.15	31.03.14	31.03.15	31.03.14
Revenue from external customers	170983.85	190206.05	38878.01	33963.03	209861.86	224169.08

**iii) RELATED PARTY DISCLOSURES (AS 18):**

The Company has paid the following remuneration during the year to its Chairman & Managing Director (CMD)/Managing Director(MD), Deputy Managing Director(DMD) and Director (OPERATIONS) / Whole Time Director (WTD) and is included in Employee Benefit Expenses (Note No.24):

**(Rs. In lakh)**

Particulars	2014-2015				2013-2014			
	CMD/MD	DMD/WTD	DO/WTD	Total	CMD/MD	DMD/WTD	DO/WTD	Total
Pay and Allowances	0.00	30.45	17.15	47.60	2.82	24.65	16.26	43.73
Reimbursement of Medical Expenses	0.00	0.00	1.06	1.06	0.73	0.91	1.15	2.79
Other Perquisite	0.00	2.55	3.29	5.84	0.00	3.57	3.27	6.84
	0.00	33.00	21.50	54.50	3.55	29.13	20.68	53.36

**iv) IMPAIRMENT OF ASSETS (AS 28):**

The "recoverable amount" is higher than the "carrying amount" of the cash generating units and hence there is no impairment of losses under AS – 28.

**III) GENERAL**

- Figures for the previous year have been regrouped/restated/reclassified wherever necessary to conform to current year's classification.
- Amounts have been rounded off to the nearest two decimal points of lakh of rupees.

**C. V. SANKAR, IAS**

Chairman & Managing Director  
(DIN. 00703204)

**A. VELLIANGIRI**

Dy.Managing Director  
(DIN. 00153169)

vide our report of even date  
**For RAMAN ASSOCIATE**  
Chartered Accountants  
Firm Reg. No.002910S

**V. SIVAKUMAR**

Company Secretary

**G. VASUDEVAN**

Partner  
Membership No.020739

Place : Chennai  
Date : 28th May, 2015

**ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORMAT**

To

M/s Cameo Corporate Services Ltd  
 UNIT : Tamil Nadu Newsprint and Papers Limited  
 V Floor, "Subramanian Building",  
 No.1, Club House Road,  
 Chennai – 600 002.

To

(In Case of Electronic Holding)  
 The Depository Participant

Dear Sir,

**FORM FOR ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND**

Note: If you are already receiving dividend through ECS, please ignore this.

I wish to participate in the Electronic Clearing Services (ECS) and give below the details of my bank account, to which you may electronically credit the payment due to me against the reference folio number mentioned below.

**1. For Shares held in physical form**

Folio No. :

**2. For Shares held in electronic form**

(Shareholders holding shares in electronic form i.e in Demat mode, should forward this form to their respective Depository Participant.)

DP ID :

Client ID :

**3. Shareholder's Name:** Shri/Smt/Kum/M/s \_\_\_\_\_

\_\_\_\_\_

**4. Shareholder's Address** \_\_\_\_\_

\_\_\_\_\_

**5. Particulars of Bank:**

- Bank Name: \_\_\_\_\_
- Branch Name & Address: \_\_\_\_\_
- Mention the 9 digit code number of the bank and branch appearing on the MICR cheque issued by the bank.  
 (Please attach the photocopy of a cheque or a cancelled bank cheque issued by your bank for verifying the accuracy of the code number)
- Account type (Please Tick) : Savings ☐ Current ☐ Cash Credit ☐
- Account Number (as appearing on the cheque book) \_\_\_\_\_

**6. Date from which the mandate should be effective:**

\_\_\_\_\_

I, hereby, declare that the particulars given above are correct and complete. If any transaction is delayed or not effected at all for reasons of incomplete or incorrect information, I would not hold the company / Registrars & Share Transfer Agents of the Company responsible. I also undertake to advise any change in the particulars of my account to facilitate updation of records for purpose of credit of dividend amount through ECS.

Place :

Signature of the First Shareholder

Date :







**Tamil Nadu Newsprint and Papers Limited**

No.67, Mount Road, Guindy, Chennai - 600 032, India.

Phone : 2235 4415-16, 2230 1094-98

Fax : 2235 0834, 2235 4614

web : [www.tnpl.com](http://www.tnpl.com)

Factory : Kagithapuram - 639 136,  
Karur District, Tamil Nadu.



## Tamil Nadu Newsprint and Papers Limited

(A Govt. of Tamil Nadu Enterprise)

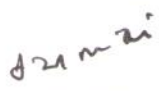


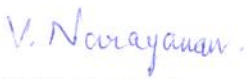
Regd. Office : 67, Mount Road, Guindy, Chennai - 600 032. Phone : (91) (044) 22301094-97, 22354415-16 & 18

Fax : 22350834 & 22354614 Web : www.tnpl.co.in. Email : response@tnpl.co.in, export@tnpl.co.in

TNPL-The Corporate Identity Number :L22121TN1979PLC007799

### FORM A

#### Covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company:	Tamil Nadu Newsprint and Papers Limited
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2015
3.	Type of Audit observation	Un-qualified
4.	Frequency of observation	Not Applicable
5.	To be signed by-	
	• CEO/Managing Director	For Tamil Nadu Newsprint and Papers Limited  C V Sankar Chairman and Managing Director
	• CFO	For Tamil Nadu Newsprint and Papers Limited  A Velliangiri Deputy Managing Director cum Chief Financial Officer
	• Auditor of the company	For Raman Associate Chartered Accountants FRN 002910S  G. Vasudevan Partner M.No. 020739
	• Audit Committee Chairman	For Tamil Nadu Newsprint and Papers Limited  V Narayanan Chairman-Audit Committee

Factory : Kagithapuram-639 136, Karur District, Phone : 04324-277001 to 277017 Fax : (91) 04324-277025 to 277029

**TNPL - Maker of bagasse based eco-friendly paper**