



## 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.com Email : response@tnpl.co.in, export@tnpl.co.in

**TNPL - The Corporate Identity Number : L22121TN1979PLC007799**

TNPL/SHARES/1(2&3)/18

Dated: September 24, 2018

To  
BSE Limited (BSE)  
Corporate Relationship Department  
Phiroze Jeejeebhoy Towers  
25th Floor, Dalal Street  
Mumbai- 400001

To  
National Stock Exchange of India  
Limited (NSE)  
Listing Department  
Exchange Plaza, 5th Floor,  
Plot No. C/1, G Block,  
Bandra Kurla Complex,  
Bandra (East), Mumbai – 400051

Dear Sir,

Sub :Annual Report under Regulation 34 of SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015

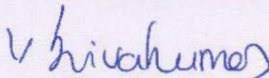
-----  
We wish to inform you that the 38<sup>th</sup> Annual General Meeting (AGM) of the Company was held on 19<sup>th</sup> September, 2018 at 10.15 a.m. at the Music Academy Main Hall, 168 T T K Road, Alwarpet, Chennai – 600 014.

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 we enclose herewith a copy of the Annual Report for the year 2017-18.

Kindly take the above on record and acknowledge receipt.

Thanking you,

Yours faithfully,  
For Tamil Nadu Newsprint and Papers Limited

  
**V. Sivakumar**  
**Company Secretary**  
Encl.: As above



# 38<sup>th</sup> Annual Report 2017-2018



Setting the goals high.

Tamil Nadu Newsprint and Papers Limited



## CONTENTS

---

<b>NOTICE</b>	<b>17</b>
<b>DIRECTORS' REPORT</b>	<b>29</b>
<b>ANNUAL REPORT ON CSR ACTIVITIES</b>	<b>38</b>
<b>SECRETARIAL AUDIT REPORT</b>	<b>40</b>
<b>REPORT ON ENERGY CONSERVATION</b>	<b>43</b>
<b>DISCLOSURE ON REMUNERATION</b>	<b>47</b>
<b>EXTRACT OF ANNUAL RETURN</b>	<b>49</b>
<b>MANAGEMENT DISCUSSION AND ANALYSIS</b>	<b>67</b>
<b>REPORT ON CORPORATE GOVERNANCE</b>	<b>74</b>
<b>BUSINESS RESPONSIBILITY REPORT</b>	<b>107</b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	<b>120</b>
<b>COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA</b>	<b>128</b>
<b>BALANCE SHEET</b>	<b>130</b>
<b>STATEMENT OF PROFIT AND LOSS</b>	<b>131</b>
<b>CASH FLOW STATEMENT</b>	<b>132</b>
<b>NOTES TO THE FINANCIAL STATEMENT</b>	<b>134</b>

## COMPANY INFORMATION

### BOARD OF DIRECTORS

<b>Thiru K Gnanadesikan, IAS</b> (w.e.f 31.01.2018)	Chairman
<b>Thiru Atulya Misra, IAS</b> (from 20.04.2017 to 31.01.2018)	Chairman
<b>Thiru S Sivashanmugaraja, IAS</b> (w.e.f 29.11.2017)	Managing Director
<b>Dr. R Selvaraj, IAS</b> (from 20.04.2017 to 29.11.2017)	Managing Director
<b>Thiru K Shanmugam, IAS</b>	Director
<b>Tmt. Anu George, IAS</b> (w.e.f 19.09.2017)	Director
<b>Thiru N Narayanan, IAS (Retd.)</b>	Director
<b>Thiru V Narayanan</b>	Director
<b>Thiru V Nagappan</b>	Director
<b>Tmt. Soundara Kumar</b> (w.e.f 30.06.2017)	Director
<b>Thiru V Chandrasekaran</b> (w.e.f 13.11.2017)	Director

### COMPLIANCE OFFICER

<b>Thiru V Sivakumar</b>	Company Secretary
--------------------------	-------------------

<b>REGISTERED OFFICE</b>	67, Mount Road, Guindy, Chennai - 600 032.
--------------------------	---

### FACTORY

<b>Unit I</b>	Kagithapuram – 639 136, Karur District, Tamil Nadu.
<b>Unit II</b>	Mondipatti Village – 621 306 Thiruchirapalli District, Tamil Nadu

### STATUTORY AUDITORS

M/s Brahmayya & co.  
Chartered Accountants,  
48, Masilamani Road, Balaji Nagar,  
Royapettah, Chennai - 600 014.

### COST AUDITORS

M/s Raman & Associates,  
10, Muthukumarasamy Salai,  
Off. 1st Main Road, Baby Nagar,  
Velachery, Chennai-600042

### 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  
Tel. No. 044 - 28460390 – 28460395  
Fax No. 044 - 28460390

### BANKERS

State Bank of India  
Canara Bank  
Indian Bank  
Karur Vysya Bank Limited  
HDFC Bank Limited  
DBS Bank Limited  
Syndicate Bank  
Oriental Bank of Commerce  
Union Bank of India  
Punjab and Sind Bank

## FINANCIAL HIGHLIGHTS - 10 YEARS AT A GLANCE

DESCRIPTION	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
	REVENUE (₹ in Lakhs)									
Revenue from Operations & Other Income	110030	107362	122504	153899	188118	230195	215237	255384	313872	315870
PBIDT	30792	31980	36274	43543	42207	52320	52236	58919	76591	43847
Depreciation & Amortisation	10080	11556	12337	16905	17500	19232	13730	14377	20768	22183
Finance Cost	4927	4618	4424	14127	12097	12821	15493	12185	25202	24463
Profit Before Tax (PBT)	15785	15806	19514	12511	12611	20268	23013	32358	30621	(2799)
Income-tax	5047	3200	4615	1617	3463	4150	6340	6377	4164	1416
Profit After Tax (PAT)	10738	12606	14899	10894	9148	16118	16673	25981	26457	(4215)
	BALANCE SHEET (₹ in Lakhs)									
Equity										
Share capital	6938	6938	6938	6938	6938	6938	6938	6938	6938	6938
Other Equity	59494	73512	84641	90131	96610	107660	113226	144022	163527	153375
Shareholders Fund (Net worth)	66432	80450	91579	97069	103548	114597	120164	150960	170465	160313
Non-Current Liabilities										
Borrowings	58135	95510	107305	85083	65729	63699	136917	193872	165212	145032
Deferred tax liabilities (Net)	21985	21013	24961	26976	29046	31664	35959	23379	20583	22166
Non current liabilities - Others	5031	5808	7052	7434	8397	9154	10133	10044	10523	11039
Current liabilities										
Borrowings	22510	40781	41505	58341	49586	45040	47528	59040	74259	50857
Current maturities of Long Term borrowings				29955	34707	38772	22121	15777	46669	46669
Current liabilities - Others	27166	27598	35132	50632	57090	68339	96927	88799	75727	116389
Total Equity and Liabilities	201259	271159	307535	355490	348102	371265	469750	541871	563438	552465
Non Current Assets										
Net Assets including CWIP Intangible Assets	148396	209659	232442	249593	254101	252819	304083	425201	415797	408901
Non-Current investments	114	1140	114	114	114	114	114	99	107	103
Non-Current assets others	7445	10498	16455	12810	11146	26931	42119	10025	11502	8548
Current Assets	45304	49863	58524	92973	82741	91400	123433	106545	136032	134913
Total Assets	201259	271159	307535	355490	348102	371265	469750	541871	563438	552465
No of shares	69210600	69210600	69210600	69210600	69210600	69210600	69210600	69210600	69210600	69210600
Book Value Per Share (₹)	95.99	116.24	132.32	140.25	149.61	165.58	173.62	218.12	246.30	231.63
EPS (₹)	15.52	18.21	21.53	15.74	13.22	23.29	24.09	37.54	38.23	(6.09)
Dividend %	45.00	45.00	50.00	50.00	50.00	60.00	60.00	75.00	75.00	50.00
Debt (LTL) to Equity	0.88	1.19	1.17	1.19	0.97	0.89	1.32	1.39	1.24	1.20

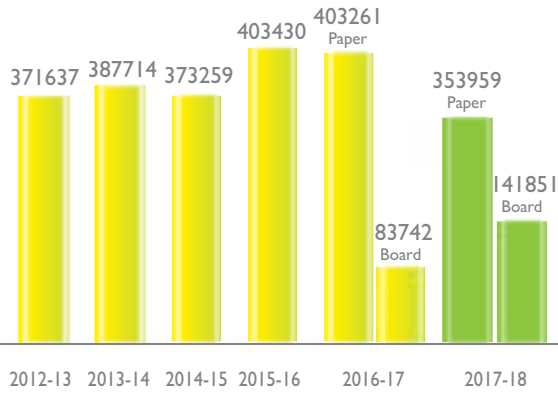
Figures upto 2010-11 as per Old Schedule VI, From 2011-12 to 2014-15 as per Revised Schedule VI, From 2015-16 onwards as per Ind As, Previous year 2016-17 figures have been regrouped to confirm to the current year 2017-18 where ever necessary.

## HIGHLIGHTS 2017-18

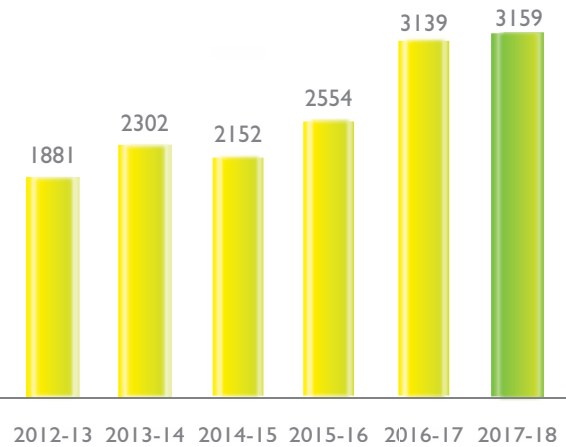
1. The Company's turnover during the year 2017-18 is 3037.02 crore.
2. During the year the Paper production was 3,53,959 MT.
3. Achieved Paper sales of 3,52,937 MT during the FY 2017-18. Domestic Sales accounts for 77% and Exports at 23%.
4. The packaging paper board plant production was 1,41,851 MT during the financial year 2017-18, equivalent to 70.90% of capacity.
5. The packaging paper board sales during the year 2017-18 was 1,42,739 MT. Domestic Sales accounts for 86% and Exports at 14%.
6. Market Capitalization crossed ₹ 3453.61 crore mark first time during the year on 08.01.2018.
7. Water consumption was reduced from 40 KL/per ton to about 27 KL/Per ton of paper from previous year which is one of the lowest in paper industry.
8. 6909 lakh units of power were generated, of which 6284 lakh units were consumed and 625 lakh units were exported to the state grid. Power drawn from State Grid constitutes only 1.77% of total power consumed.
9. Cumulatively 1,24,080 acres of land have been brought under Company's Farm Forestry and Captive Plantations schemes, benefitting 24,179 farmers. in 27 districts of Tamil Nadu.
10. The Company has reduced overall debt (Term Loan and Working Capital) to an extent of ₹ 397.84 crore during the financial year 2017-18.
11. Mission Energy Foundation, Maharashtra has awarded TNPL "Fly ash utilization 2018 Award" in the category of Green Building Material – Cement.
12. TNPL has been awarded as "Water Stewardship Award" during India Corporate Governance and Sustainability Vision Summit 2018 New Delhi conducted by Indian Chamber of Commerce.
13. TNPL has been selected and awarded as "Efficient Water Management Unit" at Confederation of Indian Industry (CII) for Excellence in Water Management – 2017 "Within the Fence" during Water Innovation Summit 2017 at New Delhi.
14. TNPL received "Most Innovative Project" award for the Environmental Best Practices Award 2017 conducted by CII – Sohrabji Godrej Green Business Centre, Hyderabad.
15. TNPL has bagged the 18<sup>th</sup> National Award for Excellence in Energy Management for the year 2017 from Confederation of Indian Industry.

### Production

Metric Tonnes

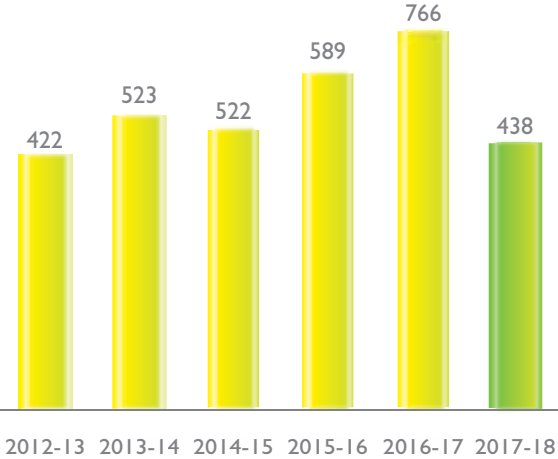


### Revenue from Operations and Other Income ₹ In Crore



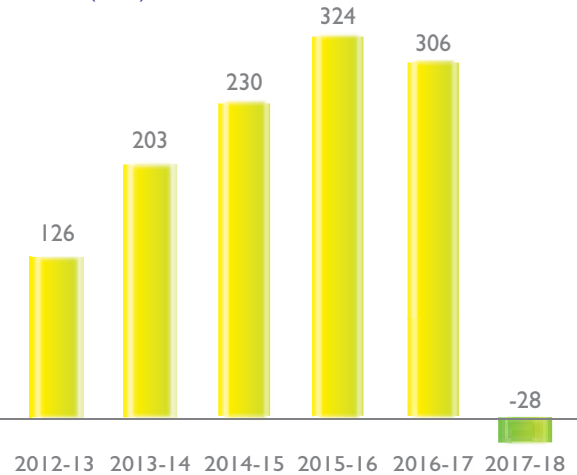
### PBIDT

₹ In Crore



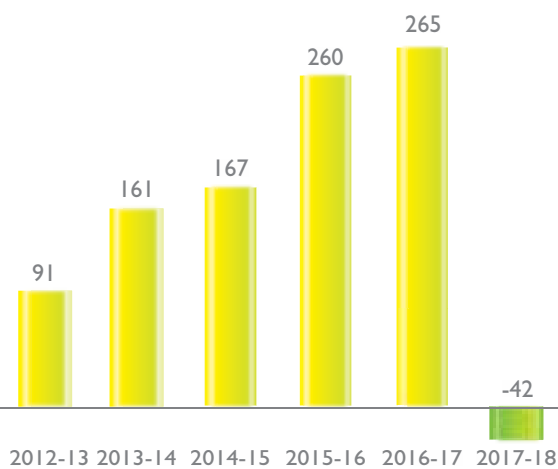
### Profit/(Loss) Before Tax

₹ In Crore



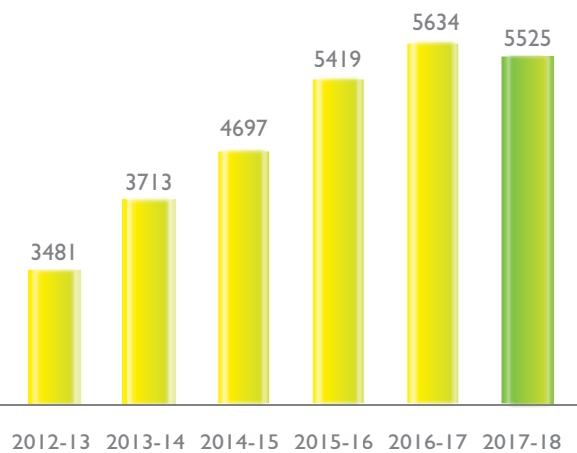
### Profit/(Loss) After Tax

₹ In Crore



### Total Assets

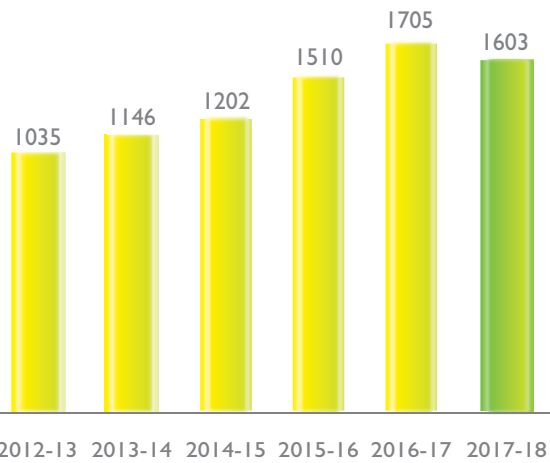
₹ In Crore



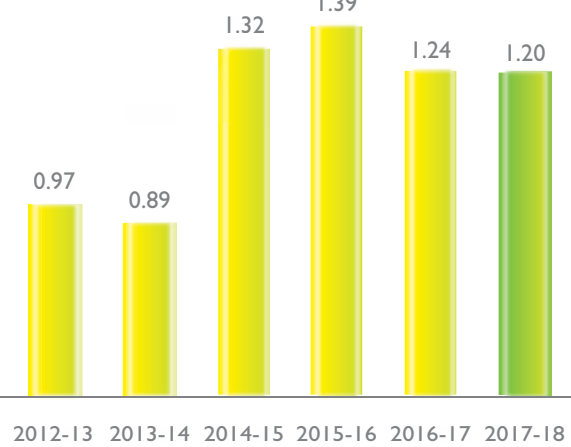


Net Worth

₹ In Crore

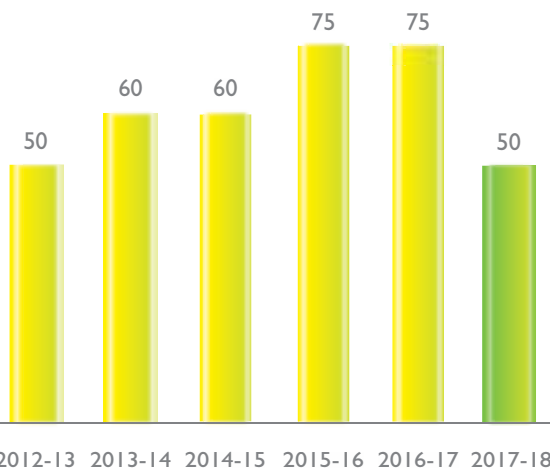


Long term Debt Equity Ratio



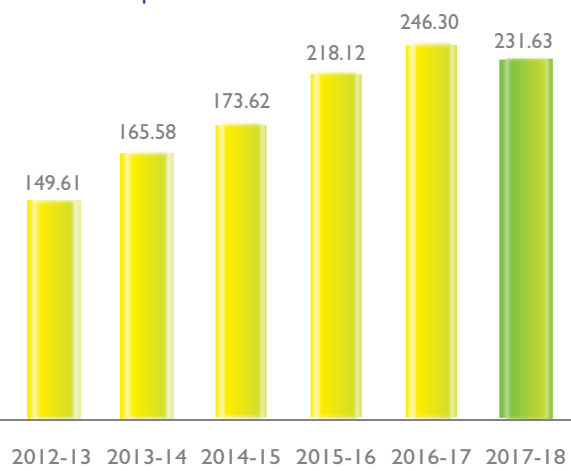
Dividend

Percentage (%)



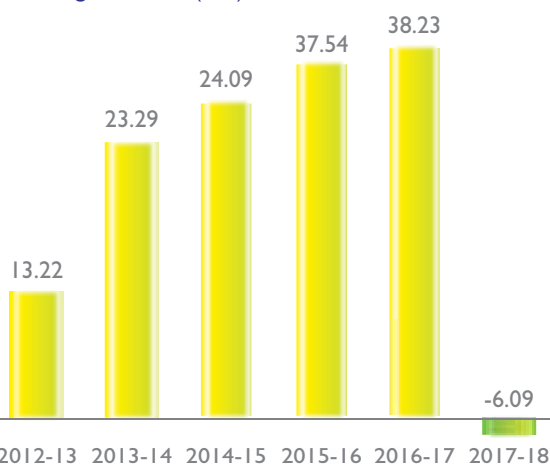
Book Value per Share

(₹.)



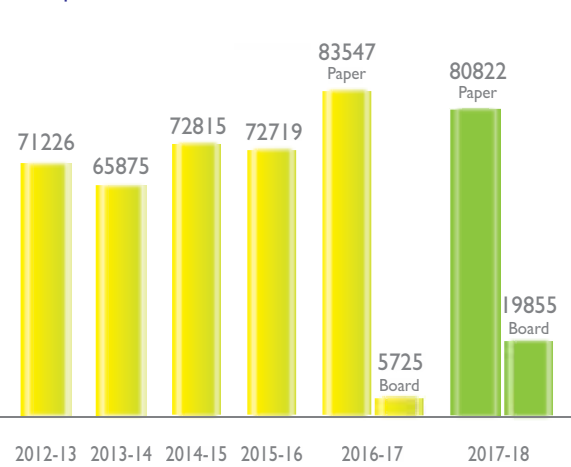
Earning Per Share (EPS)

(₹)



Exports

Metric Tonnes





## TECHNOLOGY

TNPL commenced its operations in Kagithapuram, Karur District, in 1984, with an annual installed capacity of 90,000 tpa. Over the years, the capacity of TNPL's Unit I in Kagithapuram has risen from 90,000 tpa in 1984 to 400,000 tpa in 2011. Today, TNPL is an acknowledged leader in the technology of manufacture of paper from bagasse – the sugar cane residue. Over the period of its operation for over three decades, TNPL brought several new technologies in the company's fold like ECF bleaching, Oxygen delignification, Integrated Chlorine dioxide production, Wash presses, Odour free recovery boiler, Incineration of non-condensable gases, production of bio-gas from bagasse wash effluent, Deinked Pulp etc. Today, by way of implementing the state-of-the-art technologies, TNPL enjoys the status of the most environmentally benign mill in the country with least water consumption. To further better the operation, the company is examining the ways and means to reduce the mill water consumption. The mill is also examining the possibility of recycling and reusing the waste water in order to reduce dependence on the fresh water.

As the Paper Board segment is identified as a growing segment compared to Paper TNPL thought it is prudent to foray into this market segment. Accordingly, a project for manufacture of Paper Board was conceived, and thus TNPL Unit II emerged. TNPL commissioned a 200,000 MT per annum Multilayer Coated Paper Board machine (BM 4), along with a 30 MW captive co-generation power plant, in January 2016. The four layer Board machine has facility to manufacture varieties of coated boards like White line Chip board (WLC), Folding Box Board (FBB) and Solid Bleached Sulphate Board (SBS) in the substance range of 170 to 450 gsm, coated on both sides. The Board machine is controlled by the latest Distributed Control System (DCS) and Quality control systems (QCS). TNPL has installed a state-of-the-art Automatic Storage and Retrieval System (ASRS) with a capacity to store 30,000 MT Reels and 6,000 MT Sheets. The Power plant of the TNPL Unit II is equipped with a high efficient boilers operating with atmospheric fluidised combustion technology. The power plant is equipped with an Air Cooled Condenser (ACC) to conserve water to the maximum extent. The Board

machine also has facility to recover the white water and reuse to the extent possible. For optimizing the consumption, variable frequency drives have been introduced in various sections of the Board machine and power plant. In October 2017, TNPL installed a Roll Grinding machine equipped with high end control automation including online measurements and CNC based Grinder Control System, for carrying out grinding of various rolls in Board machine.

The modern waste water treatment plant in TNPL Unit II enables utilization of the entire waste water generated from the mill to be used for irrigation in TNPL's own lands to an extent of 575 acres. In the plantation area, drip irrigation method is deployed, to raise more than 6 lakh trees, with various varieties of fruit bearing, flowering, avenue trees including some pulp wood species.

The TNPL Unit II is gearing up for the next expansion, wherein a state-of-the-art hardwood ECF pulp mill will be installed in Phase I and a Paper Machine in Phase 2. The process of obtaining Environmental clearance for the project has already commenced and Phase I of the project is targeted for commissioning by May 2021.

**Bird's eye view of TNPL Unit II – As seen from Western side**



Roll grinding machine



Paper Board being reeled in TNPL Unit II



A view of the Housing Colony being developed in Unit II





## 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 process
- 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 in Environment, Safety and Health.

### **TNPL Unit I, Kagithapuram, Karur District.**

- **Conservation of Forests wood through eco friendly Raw Material:**

TNPL is built on the concept that environment should be protected for the benefit of present and future generations. TNPL has perfected the technology of manufacturing writing and printing paper from bagasse, an agricultural residue and consumes one million tons of bagasse per annum. The mill has used about 5,93,307 MT of depithed Bagasse during the year as the primary raw material for production of 116319 MT of bagasse pulp which has facilitated

conservation of about 4.9 Lakh MT of pulpwood. Similarly, TNPL has produced 85,191 MT of Deinked pulp using waste paper as raw material thereby conserved about 3.6 Lakh MT of wood in the year 2017-18.

- **Water Management and Rain Water Harvesting:**

The mill has implemented several water conservation measures and reduced water consumption to about 27 KL per ton of paper during 2017-18 which is lowest figure of Integrated Pulp and Paper industry in National level. In view of harvesting Rain Water, the Unit has engaged the services of Anna University to identify the potential areas and accordingly constructed two Rain Water Collection pits of each about 5000 Sq. Meter Surface area in its housing colony premises and one reservoir with a surface area of about 30,000 Sq. Meter within the mill premises. In addition to the above, the unit is in the process of constructing another Rain Water Collection pits with a surface area of 5000 Sq. Meter.

- **Fuel Management by Waste to Wealth concept:**

Utilizing about 106374 MT of internally generated agro fuels such as Pith, Wood dust, Bark as fuel in Power Boilers has resulted in conservation of about 23387 MT of Imported coal.

The unit has installed Bio methanation Plant III to handle additional 5580KLD of Bagasse effluent. This facility has paved way for generation of 12,000 Cu.M of additional Bio gas in addition to supplementary arrangement for treating Bagasse effluent.

Three bio-methanation plants including one unit commissioned during current year within the factory premises have cumulatively generated 63.26 lakh Cu.M of Bio gas which resulted in conservation of 3724 KL of furnace oil at limekilns and 319 MT of Imported coal in Power Boilers.

- **Innovation on solid waste Management:**

TNPL had enhanced its Cement Plant production capacity from 600 to 900 TPD capacity for producing high grade cement from inorganic solid wastes, viz., Lime sludge and Fly ash. TNPL is the first and only paper mill in the country to have set up a cement plant within the factory premises to produce Cement from Paper Mill wastes. Every day, about 200 tones of lime sludge and 100 tonnes of fly ash from the power boilers are converted into high grade cement. During 2017-18, cement plant consumed about 44528 MT of lime sludge generated in TNPL main plant (Pulp and Paper manufacturing facility), equivalent to conservation of about 24545 MT of lime stone. Further, 65902 MT of fly ash is also used in manufacture of cement during the year.

- **Innovation on Emission control:**

TNPL had set up a satellite Precipitated Calcium Carbonate plant with an annual production capacity of 60,000 MT adjacent to Mini Cement Plant on "Build, Own, Operate" basis. This plant had consumed 3406 MT of carbon dioxide content in the Flue gas which was utilized as raw material

for production of 7582 MT of PCC thus avoiding GHG emissions.

- **BIODIVERSITY PARK**

TNPL has established a Biodiversity park by assembling more than 100 species of trees in about 6.07 hectares of land at TNPL Housing colony area. Planting was done as mass movement involving more than 1800 students from TNPL Public, TNPL Matric and TNPL I.T.I. The main theme behind this concept is the enrichment of biodiversity to sustain the green environment. The ecosystem maintained in the Biodiversity Park is assessed periodically for effective monitoring of flora and fauna in the park. This assessment helps to study the population of different species and presence of any new species in the park.

**TNPL Unit II, Mondipatti Village, Trichy District.**

The entire treated effluent discharged from TNPL Unit 2 mill premises is judiciously utilized for irrigating about 575 acres of land comprising vacant spaces in Mill premises and also additional lands owned by the unit located in K. Periyapatti and Chettichatram villages through drip irrigation scheme.

Based on its own experience gained from Unit I activities, the company has meticulously planned and executed this irrigation project in a more systematic and scientific manner.

- The salient features are as follows:
  - Developed the landscape without disturbing the existing vegetation and village boundaries.
  - Designed the drip irrigation layout by developing 575 acres of land by making 12 blocks with 40 to 50 acres in each block having farm roads and irrigation feeder tank in each block.
  - Established and maintained the drip irrigation system with multiple filtration equipments to have round the clock trouble free operation.
  - Planted 6,80,000 trees of 68 species including high value timber tree species viz., Sandal, Red sandal, Teak, Rose wood, Indian Mahogany, African Mahogany, etc., and established an evergreen forest land in the dry lands.
  - Documentation of irrigation project is being

carried out by entrusting reputed agencies taking into account of pre and post implementation of the scheme viz., collection of base line data, periodically monitoring the soil, ground water and surrounding environment, if any.

- Within one year of implementation of the project, the microclimate of the location is significantly improved and multifold enrichment in flora and fauna population could also be evidenced.

**Implementation of Management Systems**

TUV India Private Limited, a subsidiary of TUV NORD CERT GmbH, which recertified TNPL Unit I for Integrated Management System comprising both Quality and Environment, had recommended to maintain the certificate for the period of one year based on the surveillance audit carried out during Jan '2018.

TNPL Unit - II is in the process of implementing Integrated Management System comprising Quality, Environment and Safety. Further, the unit is also implementing Energy and Food Safety Management systems.



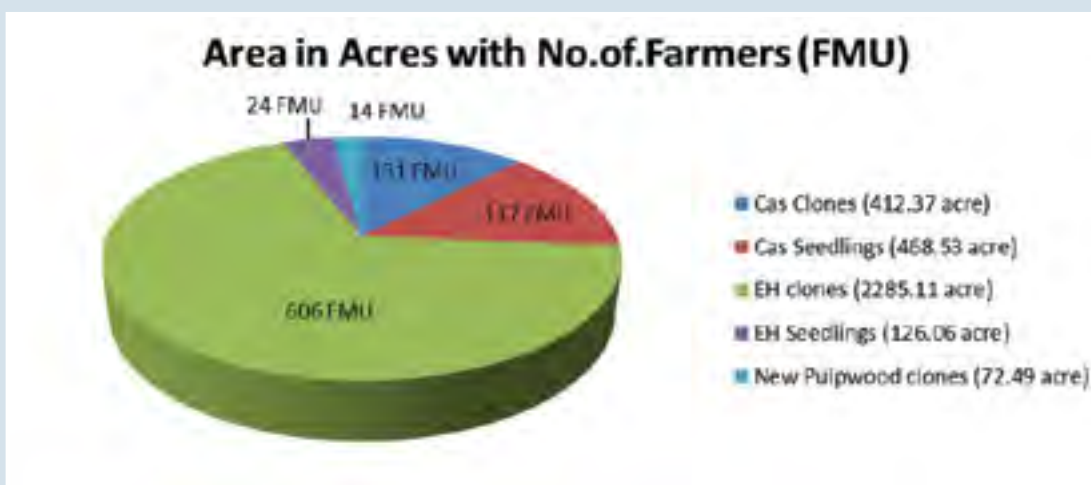


## PLANTATION

### Plantation activities

To improve the pulpwood availability TNPL initiated plantation activities from 2004-05. The pulpwood plantations were established in the vacant and degraded lands belonging to farmers and Government departments through two schemes viz., Captive Plantation & Farm forestry.

During 2017-18, pulpwood plantation has been established in an extent of about 3364.56 acres belonging to 892 farmers under Farm Forestry Scheme in which, Casuarina (26%) and Eucalyptus (74%) are major pulpwood species planted. The species wise extent covered with Number of FMU is represented below:



### Area developed under Farm Forestry Plantation during 2017-18

To establish the quality of the plantation, new improved clones/seedlings from selected plus trees were produced and supplied from TNPL's Clonal Propagation Research Centre. About 92.00 lakh plants were produced and 64.42 lakh plants were supplied and an amount of ₹ 132.02 lakhs were realized through sales. The production vs sale of various pulpwood species during 2017-18 are represented below:



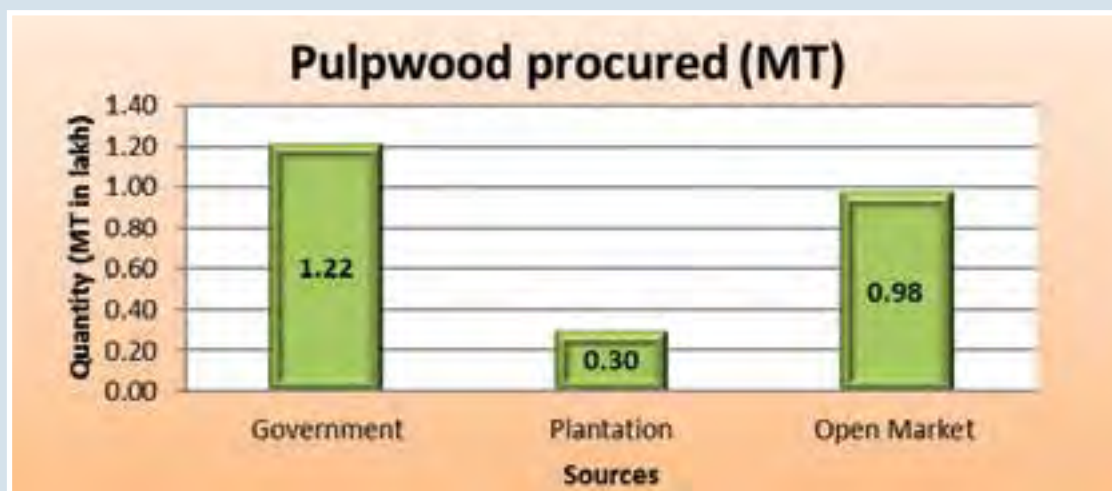
The pulpwood plantations raised during 2017-18, were distributed in 27 districts of Tamil Nadu and Pondicherry, in which 6 districts cover the 70% of the total extent. The extent details, plants sold and number of Farm Management Units (FMU) in the major districts are tabulated in Table I.1.

**Table I.1. Extent details of pulpwood plantation covered in major districts.**

District	Extent (acres)	Number of Plants sold (in lakhs)	No.of.FMU	% of extent covered
Pudukkottai	938.34	15.4	213	28
Ariyalur	358.93	5.12	128	11
Sivagangai	332.98	4.16	60	10
Tiruchirapalli	305.57	4.92	60	9
Erode	220.09	2.72	78	7
Namakkal	204.29	3.17	103	6
Other 21 Districts	1004.36	28.93	250	30
<b>Grand Total</b>	<b>3364.56</b>	<b>64.42</b>	<b>892</b>	

### Pulpwood Procurement

Due to water crisis the annual pulpwood requirement has come down from 4.0 lakh MT to 2.5 lakh MT during 2017-18, in which about 49% of pulpwood raw materials were obtained from Government sources, 12% from Plantation sources and 39% from market sources to meet out the demand. The quantities from various sources are represented below:



About 30,000 MT of pulpwood procured from the plantation raised under TNPL Plantation scheme in which, 24,224 MT from Farm Forestry Plantations and 5914 MT from Captive Plantations. The districts from where the major quantity of pulpwood sourced are Ariyalur (50%), Pudukkottai (30%) and remaining 20% from Karur, Namakkal, Cuddalore, Kanchipuram, Sivagangai, Tiruchirapalli, and Tirunelveli districts.

### Achievements of Plantation Schemes and Production from Clonal Propagation & Research centre

Description	Extent of pulpwood plantation (acres)	No. of FMU	Production (No. of plants in lakh)	Sales (No. of Plants in lakh)	Pulpwood Quantity received from Plantation sources (MT in lakh)
During 2017-18	3,365	892	92	64.42	0.30
Till 2017-18	1,24,080	24,179	1,027	958.28	10.00

## CORPORATE SOCIAL RESPONSIBILITY

TNPL is committed to being a socially responsible corporate citizen.

The Companies Act, 2013 mandates every company having net worth of ₹ 500 crore or more or turnover of ₹ 1000 crore or more or a net profit of ₹ 5 crore or more during any financial year have to spend 2% of their net profit towards CSR activities and they have to constitute a CSR Committee of the Board. The Company has constituted the following CSR Committee:

1. Thiru. N. Narayanan,  
IAS (Retd) - Chairman
2. Thiru. V. Narayanan - Member
3. Tmt. Soundara Kumar - Member
4. Thiru. V. Nagappan - Member

As per section 135(5) of the Companies Act 2013, TNPL spends 2% of the average net profit of the Company made during three preceding financial years towards CSR activities viz., Education, HealthCare, Social Development, Livelihood and Economic Improvement, Environment & Sanitation, Culture & Heritage and Soil and Water Conservation. The Company during the year 2017-2018 has spent ₹ 255.22 lakhs against the allocated amount of ₹ 569.00 lakhs. The Company aims to spend ₹ 400.00 lakhs on CSR activities during the financial year of 2018-2019, on the basis of 2% of the average net profit of the Company made during the three preceding financial years.

TNPL undertakes Community Development activities in the neighbourhoods in consultation with

local Panchayats by categorizing the needs of the community under various heads viz., Infrastructure and basic amenities, construction of drainages and retaining walls, construction of toilet, providing bore wells, bus shelters, etc.

TNPL extends helping hand to the inhabitants of the surrounding villages by taking part in drinking water supply schemes, organizing coaching classes for students studying in Government schools, providing lighting facilities, conducting health awareness programme and medical camps, providing financial assistance to needy people, contributing for cultural programmes, sports activities etc., This has paved the way for establishing a harmonious relationship with the local public.



Talent Expo on 29 & 30.10.2017 at TNPL colony premises.





1



2



3

1. Kidney Awareness Screening Camp 2. Anemia Awareness Camp 3. Mobile Vaccination Camp



## PRODUCT PROFILE

TNPL produces a wide portfolio of high quality surface-sized and non-surface sized papers best suited for printing and writing; and coated and uncoated boards best suited for the packing industry.

### PREMIUM PAPER BRANDS

#### **TNPL Elegant Printing**

An ideal printing substrate with superior brightness and high smoothness with low two-sidedness, it provides better visual appeal due to its subtle pink and polite blue tone resulting in unmatched readability and viewing pleasure. As a surface sized grade, it delivers exceptional performance in web offset and sheet offset with high surface strength providing higher print throughput. It is the best choice for text books, calendars, diaries & annual reports and is truly a printer's delight.

#### **TNPL Radiant Stationery**

A specially designed surface sized grade to deliver peak performance in the conversion of student exercise note books, text books, brochures and commercial grade printing. This Maplitho grade provides smooth surface for writing with a variety of pens. The high brightness level coupled with a pleasant shade has made it a most sought after grade in the domestic and international markets.

#### **TNPL Radiant Platinum**

This speciality grade is produced in a new state of the art machine to provide high bulk, even-formation and absolutely even-sided smoothness, which is a very rare combination in the paper industry. The high resilience of this paper makes this grade an ideal substrate for very high quality text book printing applications / deluxe note book making and other high end four-color printing applications. The superior strength properties and surface sizing renders this paper a robust one for demanding jobs. This grade is much sought after for calendar and computer stationery printing.

#### **TNPL Print Fine**

Print Fine is a printer's delight. The extraordinary smoothness turns out perfect image reproduction with minute details. It is presented in a pleasant shade which is readily accepted by printers who are very concerned about faithful colour reproduction. This stock caters to High end multi colour printing jobs and reproduction of high definition text books.

#### **TNPL Copier**

TNPL Copier paper is known for its outstanding performance. Its features include Trouble free running, No multi-feed or jamming, Low toner consumption, Low abrasion of drums, Very high stiffness, High dimensional stability and Air tight packing. All these characteristics are attributed to the well formulated furnish mix, addition of engineered fillers, state of the art surface sizing, soft nip calendering precise cutting and packing in the state of the art automatic cut pack machines. This grade is known for high value for money and minimum wastage.

#### **TNPL Copy Crown**

TNPL Copy Crown is a premium grade multipurpose office stationery paper presented in very high brightness and immaculate cleanliness. Its features include Trouble free running, No multi-feed or jamming, Low toner consumption, Low abrasion of drums, Very high stiffness, High dimensional stability and Air tight packing. This very special export grade contains special recipe in the furnish blend to meet the exacting performance in high speed copiers. The robust construction and visual appeal makes this grade suitable for office stationery applications.

#### **TNPL Pigmented Paper**

The pigmented Paper is an ultimate extra premium grade from the House of TNPL. This matt finished two side lightweight coated paper satisfies the quest of quality conscious printers who want to achieve extraordinary results. This special grade is engineered to generate high print gloss with the technology of soft nip calendering. The silky surface accentuates all the best results expected out of a printing substrate. This grade is used in applications such as high quality four colour printing jobs, FMCG covers / packets / paper sachet, High colour quality journals, High intense text book printing like medical books and High quality labels, inserts etc.

#### **TNPL Printers' Choice**

A grade exclusively designed for sheet fed offset printing applications. It is cut in ideal sizes to make it a 'ready to use' commodity for speciality printing jobs in sheet offset. The brightness level and the cool shade delivers outstanding printing results, faithful colour reproduction with precise

details. This high smooth surface variety is apt for those who look for a versatile print media to impress perfectionists.

#### **TNPL Ace Marvel**

A star product in TNPL's range with two variants.

**Ace Marvel Bright** – The runnability and dimensional stability of the product in the demanding applications of multiple coating has made this product a preferred one. This grade is cherished by those who make thermal paper / carbon paper / carbonless paper. In higher GSM of this grade is preferred for paper sachets, sublimation and diary segment due to its eye capturing print quality.

**Ace Marvel Standard** – This exclusive lower GSM paper with high opacity has no match in the country for high speed web offset publishers.

#### **TNPL Eco Maplitho**

A versatile and popular grade for those who seek quality at an optimum cost – value for money. Used in multifarious applications like text book printing, note book making, wide range of stationery items / labels / wrappers etc. The pleasant shade and the even smoothness & formation make it the most wanted grade; it is also available in natural shades. The usage of engineered fillers has made this grade highly opaque with a Matt finish.

#### **TNPL Hi-tech Maplitho**

A product created to provide a brilliant look and a favourable impression. An ideal substrate for quality multicolour text book printing and calendars, this grade is best suited for computer stationery and Note books. The fine and smooth surface provides faithful image sharpness and exceptional writing pleasure.

#### **TNPL Green Pal**

Green Pal office papers and notebooks are made from 100% Bagasse and recycled pulp, ensuring that not a single tree was cut in the production of our premium office and student stationery. The brilliant shade of this stock ensures optimum brightness level and a soothing visual impact. The engineered fillers used in this grade render high opacity. Though designed for note books, this grade is highly welcomed as home stationery paper.

## **TNPL'S EXCLUSIVE RANGE OF COATED & UNCOATED MULTI-LAYER BOARDS FOR PACKAGING**

### **Aura Fold Premium**

Aura Fold Premium is a two side coated folding box board with 100% bleached chemical pulp on the top and bottom layers with mechanical fibres sandwiched in the middle layer. It has good bulk and stiffness coupled with premium printability and is naturally the perfect choice for high end packaging and suitable for IPE and 2 PE (Poly Extrusions) applications. It is widely used for premium FMCG packaging, Personal Care Products, Cosmetics and cartons of Industrial & Automotive products.

### **Aura Fold Plus**

Aura Fold Plus is a top-side coated folding box paperboard with 100% bleached chemical pulp on the top and bottom layers with mechanical fibres sandwiched in the middle layer. It is the perfect choice for high end acceptable packaging because it has high bulk and stiffness coupled with premium printability and suitable for IPE and 2 PE (Poly Extrusions). It is ideal for Boxes for Cosmetics & Industrial purposes / Auto goods Cartons & boxes, All FMCG packaging, Spirits / Liquor Packaging and Panel & Picture Mount Boards.

### **Aura Fold Eco**

Aura Fold Eco is a two sided coated folding box board with 100% bleached chemical pulp on the top and bottom layers and Mechanical fibres sandwiched in the middle layer. It is the perfect choice for economical packaging; it has medium bulk and stiffness coupled with premium printability; it is suitable for IPE and 2 PE (Poly Extrusions) applications. It is ideal for normal FMCG Cartons, POP Dangles, Menu Cards, Brochure Covers and Notebook Covers.

### **Aura Fold Blu**

Aura Fold Blu is a two side coated Folding Box Board with 100% bleached chemical pulp on the top and bottom layers and engineered with special mechanical fibres in the middle layer. It has high whiteness, brightness & brilliance, good Bulk and stiffness coupled with premium printability; it is naturally the perfect choice for high end and demanding packaging like Pharmaceutical Packaging, Personal Care Products, Cosmetics, Notebook Covers, Hosiery Boxes and Garment Tags.

### **Aura Celebration**

Aura celebration is an uncoated paperboard with 100% bleached chemical pulp on top and bottom layers and enriched mechanical fibres sandwiched in the middle layer. It has high bulk, stiffness and superior convertibility and suitable for motif prints, embossing, debossing and hot foil stamping applications with royal touch. It is ideal for Invitation Cards, Greeting Cards, Wedding Cards, Menu Cards, Brochure Covers and Folders.

### **Aura Flute Supreme**

Aura flute supreme is a coated solid bleached Sulphate Board, made for high end hot and cold beverages (cup stock) with 100% virgin pulp in all three layers. The coated top surface comes with superior printability & gloss and is perfect for high end cup-making. Its medium bulk, high stiffness and good top side smoothness makes it the perfect material for Paper cups with one side or two side poly extrusion and superior edge wicking resistance. It is designed for poly extrusion & multi colour printing. It conforms to direct food contact applications and is free from optical brightening agents, colouring dyes and chemicals.

### **Aura Flute**

Aura flute is a solid bleached sulphate uncoated board with 100% bleached chemical pulp in all layers. It has high stiffness and stretch designed for high speed cup conversion machines for wide range of cup sizes with acceptable printing. It's medium bulk, high stiffness and good top side smoothness makes it the perfect material for Paper cups with one side or two side poly extrusion and superior edge wicking resistance. It is free from optical brightening agents, colouring dyes and chemicals, conforming to direct food contact applications.

### **Aura Flute Plus**

Aura flute plus is a solid bleached sulphate uncoated board with 100% bleached chemical pulp in all layers. It has high edge wick resistance, improved bulk, stiffness and good top side smoothness coupled with acceptable printability; it is the perfect material for Paper cup application with one side or two side poly extrusion. It has high stiffness and stretch designed for high speed cup conversion machines for wide range of large volume tubs and cups where stiffness is absolutely important for product performance. It is free from optical brightening agents, colouring dyes and chemicals, conforming to direct food contact applications.

### **Aura Grafik**

Aura Grafik is a two side coated solid bleached sulphate board with 100% bleached chemical pulp in all the layers with excellent brilliance and snow white shade. It has medium density, high level of surface smoothness coupled with premium printability; it is the perfect choice for high end printing applications and downstream conversion. It is ideal for Pharmaceutical packaging, Personal Care Products, Cosmetics, Advertising and superior Graphics, High end Catalogue, Notebook Covers and Scratch Cards.

### **Aura Pearl**

Aura Pearl is a four layered Board with top side superior double coated virgin pulp. Under the top layer has the processed white pulp, recycled fibre pulp in the middle layer and bleached chemical pulp in the bottom layer. It has a good bulk and stiffness coupled with premium printability and lamination capabilities which makes it the perfect choice for high and medium range packaging. It is ideal for Notebook Covers, FMCG Cartons, Pharmaceutical, Apparels Box and tags, Shade Cards in Garments, Industrial / Auto goods Cartons.

### **Aura Green**

Aura green is a multi layered board. It has superior double coated virgin pulp on the top side, recycled fibre pulp in the middle and bottom layers. It has a good bulk and stiffness coupled with premium printability and lamination capabilities make it the perfect choice for medium range and general packaging. It is ideal for Notebook Covers, FMCG Cartons, Pharmaceutical, Match Box Shells, Apparels Box and tags, Shade Cards in Garments, Industrial / Auto goods Cartons.

### **Aura Green Match**

Multi layered coated paperboard engineered exclusively for match box industry for trouble free high speed auto-filling match box conversion machines. It is a four layered board with virgin pulp on topside, processed white pulp in the under top and recycled pulp in the middle and back layers. It has a superior print surface, high bulk, stiffness and good dimensional stability.

## ENERGY

Pulp and Paper Industry is Energy intensive and the Energy cost is around 25% of its Manufacturing cost. TNPL is taking constant efforts to reduce the carbon footprint. TNPL consumes bio-fuel and bio-gas to a larger extent. The Consumption of bio-fuel and bio-gas accounts for 35.41% of the total Energy consumed during 2017-18 against the value of 40.14% in 2016-17.

Agro / Internally generated waste Fuels Utilised	2017-18 MT	2016-17 MT
Agro fuel	461	472
Pith	99483	161017
Wood Dust/bark	6891	10610
BL Solids	331393	411671
Bio Methana-tion gas ('000 M <sup>3</sup> )	6326	6852

TNPL is operating two bio-methanation plants to treat high organic wastewater from bagasse handling and storage system and to generate bio-gas under waste to energy concept. The Biogas generated is utilized in the lime kiln to replace furnace oil. For the year 2017-18, biogas generation was 63.26 Lakh M<sup>3</sup> against 68.52 Lakh M<sup>3</sup> in the previous year. The bio-gas generated is used in lime kiln as fuel to replace 3724 KL of furnace oil and in Power Boiler to replace 319 MT of Imported Coal.

TNPL is self sufficient in power in both the units. The installed capacity of Power Plant in Unit-I is 103.62 MW and Unit-2 is 35 MW. Power Generation and consumption details are as given below.

(in Lakh units)

	Generation	Self Consumption	Export	Import
<b>2017-18</b>				
Captive Power Plant				
- Unit-1	5262.94	5201.11	61.83	93.48
- Unit-2	1130.37	1038.20	92.17	30.08
Wind Farm	515.40	44.66	470.74	—
<b>Total</b>	<b>6908.71</b>	<b>6283.97</b>	<b>624.74</b>	<b>123.56</b>
<b>2016-17</b>				
Captive Power Plant				
- Unit-1	6093.46	5986.06	107.40	—
- Unit-2	1035.48	937.61	97.87	14.69
Wind Farm	512.65	21.98	490.67	—
<b>Total</b>	<b>7641.59</b>	<b>6945.65</b>	<b>695.94</b>	<b>14.69</b>

As a part of Energy Conservation Act 2001, the Ministry of Power notified the list of designated consumers (DCs) of various power intensive industries across the country on 30th March 2012. It also specified the baseline energy consumption of the individual DCs and their targeted energy consumption norms to be met in the period from FY 2012-13 to FY 2014-15 as per "Perform Achieve and Trade" (PAT) scheme. For 1st PAT Cycle BEE notified Specific Energy Consumption for TNPL was 0.572 TOE / TON and the Target was 0.550 TOE/TON. TNPL Achieved 0.530 TOE / TON during the assessment year 2014-15. As the actual specific energy consumption was less than the target fixed TNPL was awarded 4969 of Escerts (Energy Saving Certificates). The Ministry has also notified the Second PAT cycle on 31st Mar 2016 and the values of Specific Energy Consumption were given without normalization. Accordingly the target value for TNPL is 0.7234 TOE / TON against the Base line value of 0.7680 TOE/ TON. This target is to be achieved by 31st March 2019 i.e at the end of three year PAT II cycle starting from 2016-17.

TNPL has obtained the Energy Efficient Unit award for the year 2017 from Confederation of Indian Industry (CII). During the FY 2017-18, TNPL has saved 24.97 lakh units of Power (previous

year 19.14 lakhs units), 2417.38 MT of Imported coal (previous year 4391.57 MT) and 3760.11 KL of furnace oil (previous year 4237.29 KL ) 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 phase manner. The wind farm power is exported to the grid with a small consumption for its Corporate office by wheeling.

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 Eighth Annual General Meeting of the Members of Tamil Nadu Newsprint and Papers Limited be held on Wednesday, 19<sup>th</sup> September, 2018 at 10.15 AM at the Music Academy Main Hall, 168 T T K Road, Alwarpet, Chennai 600 014 to transact the following business:

### ORDINARY BUSINESS

#### 1. Adoption of Financial Statements

To receive, consider and adopt the Audited Statement of Profit and Loss for the year ended 31<sup>st</sup> March 2018, the Cash Flow Statement for the year ended 31<sup>st</sup> March, 2018, the Balance Sheet as at that date and the Reports of the Board of Directors and the Statutory Auditors and the comments of the Comptroller and Auditor General of India, thereon.

#### 2. Declaration of Dividend:

To declare dividend on equity shares for the year 2017-18.

#### 3. Appointment of Director:

To appoint a Director in the place of Thiru K. Shanmugam, IAS, Director (holding DIN 00794191), who retires by rotation and being eligible offers himself for reappointment.

#### 4. Fixation of Auditors Remuneration:

To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY resolution:

**"RESOLVED THAT** consent of the Company be and is hereby accorded for the payment of remuneration of ₹ 10,00,000/- to M/s. Brahmayya & Co. (Firm Registration No.000511S), Chartered Accountants, Chennai, Statutory Auditors, besides reimbursement of Travel & out of pocket expenses (annual) at actual subject to ceiling of ₹ 75,000/- and other terms and conditions laid down by the Office of the Comptroller and Auditor General of India in their letter No., CA V/COY/TAMILNADU/TNEWSP(1)/109 dated 14.07.2017.

### SPECIAL BUSINESS

#### 5. Ratification of Remuneration to the Cost Auditors

To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, 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 ₹ 2,75,000/- plus

travelling and out of pocket expenses subject to a maximum of ₹ 30,000/- and applicable Taxes for the financial year ending 31<sup>st</sup> March, 2019 as approved by the Board of Directors of the Company to be paid to M/s. Geeyes & Co, (Firm Registration No. 000044), Cost Accountants, Chennai, appointed by the Board as Cost Auditors to conduct the audit of the cost accounts of the Company for Paper, Board Plant, Cement and Energy segments be and is hereby ratified and confirmed.

**"RESOLVED FURTHER THAT** the Board of Directors of the company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

#### 6. Appointment of Tmt. Anu George, IAS (DIN 07940662) as a Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force), Tmt. Anu George, IAS (DIN 07940662) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 19.09.2017 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting ('AGM') and who is eligible for appointment under the relevant provisions of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation".

#### 7. Approval of appointment of Thiru S. Sivashanmugaraja, IAS (DIN - 06684301) as Managing Director

To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY Resolution:

**"RESOLVED THAT** pursuant to the recommendation of the Nomination and Remuneration Committee, the Board and pursuant to the provisions of Sections 196, 197, 198, 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, Thiru S. Sivashanmugaraja, IAS (holding DIN 06684301)



who was appointed as an Additional Director of the Company by the Board of Directors with effect from 29.11.2017 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting and who is eligible for appointment under the relevant provisions of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as Managing Director of the company from 29.11.2017 on such the terms and conditions and on such remuneration as may be prescribed by the Government of Tamil Nadu from time to time notwithstanding the absence or inadequacy of profits during any financial year."

**"RESOLVED FURTHER THAT** Thiru S. Sivashanmugaraja, IAS, Managing Director will not be entitled to any sitting fee for attending the meetings of the Board or any Committee thereof."

**8. Appointment of Thiru V. Chandrasekaran (DIN 03126243) as an Independent Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made there under read with Schedule IV to the Act, (including any statutory modification(s) or re-enactment thereof for the time being in force) and the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Thiru V Chandrasekaran (DIN 03126243), who was appointed as an Additional (Independent) Director of the Company by the Board of Directors with effect from 13.11.2017 and whose term of office expires at this Annual General Meeting ('AGM') and in respect of whom the Company has received a Notice in writing from a Member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director and who has submitted a declaration that he meets the criteria for independence as provided in Section 149(6) of the Act, be and is hereby appointed as an Independent Director of the Company to hold office for a term of 3 consecutive years commencing from 13.11.2017 and is not liable to retire by rotation."

**9. Appointment of Thiru K Gnanadesikan, IAS (DIN 00111798) as a Director**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an ORDINARY Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 ("Act") and the Rules made

there under (including any statutory modification(s) or re-enactments thereof for the time being in force), Thiru K Gnanadesikan, IAS (DIN 00111798) who was appointed as an Additional Director of the Company by the Board of Directors with effect from 31.01.2018 and who holds the said office pursuant to the provisions of Section 161 of the Companies Act, 2013 upto the date of this Annual General Meeting ('AGM') and who is eligible for appointment under the relevant provisions of the Companies Act, 2013 and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

**10(a).Borrowing limits of the Company under Section 180(1)(c) of the Companies Act, 2013**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a SPECIAL Resolution:

**"RESOLVED THAT** in supersession of the special resolution passed by the members of the Company on 21.11.2013, through postal ballot in terms of provisions of Section 180(1)(c) of the Companies Act, 2013, the consent of the company be and is hereby accorded under section 180(1)(c), as amended from time to time and all other applicable provisions, if any, of the Companies Act, 2013, to the Board of Directors to borrow (excluding temporary loans obtained from the banks in the ordinary course of business) for the purpose of the business of the company, such sum(s) of money (in foreign currency or Indian Rupee) from time to time with or without security on such terms and conditions as the Board of Directors may deem fit, notwithstanding that the money or monies to be borrowed by the company together with the money already borrowed and remaining outstanding at any time may exceed the aggregate of the paid-up capital and free reserves of the Company provided however that the money or monies to be borrowed by the company together with the money already borrowed shall not, at any time exceed ₹ 4000 Cr (Rupees Four thousand crore only).

**10(b).Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings under Section 180 (1)(a) of the Companies Act, 2013.**

To consider and, if thought fit, to pass with or without modification(s), the following Resolution as a SPECIAL Resolution:

**"RESOLVED THAT** pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board") to create such mortgage,

charge, hypothecation in addition to the mortgages, charge, hypothecation created/ to be created by the company or executing a declaration of a trust or other appropriate document on such terms and conditions as the Board may think fit, on the whole or substantially the whole of the company's undertakings or any part thereof, including the present and future properties, whether movable or immovable and assets of all kinds of the company, both present and future, to or in favour of Financial institution(s), bank(s) and / or the agents or trustees of the debenture holders to secure the borrowings availed/ to be availed by the company by way of loan (in foreign currency and / or Indian Rupee) and / or securities ( comprising fully / partly convertible debenture / or non – convertible debentures)/ bonds of any nature/ working capital facilities or other instruments issued/ to be issued by the company from time to time.

**“RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to finalise and execute the documents between the company on the one part and the Financial institution(s), Banks, and Institutions who may be appointed as the agents, trustees for the debenture holders, on the other part”.

Place : Chennai  
Date : 30.05.2018

BY ORDER OF THE BOARD  
**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 less than 48 hours before commencement of 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 Statement pursuant to Section 102 of the Companies Act, 2013 in respect of the Special Business set out under Items 5 to 10 is annexed hereto and forms part of the notice.
- 5) Pursuant to the provisions of Section 91 of the Act and the Listing Regulations, the Register of Members and Share Transfer Books of the Company will be closed from 13.09.2018 to 19.09.2018 (both days inclusive) for the purpose of AGM and payment of the dividend for the financial year ended 31<sup>st</sup> March, 2018.
- 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) Subject to the provisions of the Companies Act, 2013, the dividend for the year ended 31<sup>st</sup> March, 2018 as recommended by the Board, if declared at the meeting, will be paid within a period of 30 days from the date of declaration, in respect of shares held in physical form to those members whose names appear in the company's Register of Members on 19<sup>th</sup> September, 2018. 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) Pursuant to Section 124 of the Companies Act, 2013, all unclaimed dividends upto the financial year ended March 31, 2010 have been transferred to the Investor Education and Protection Fund established by Central Government as per Section 125 of the Companies Act, 2013.  
  
Shares in respect of which dividend for the year ended 31<sup>st</sup> March, 2009 and 31<sup>st</sup> March, 2010 have been transferred to the Investor Education and Protection Fund ("IEPF") of the Central Government in November and December 2017 respectively pursuant to Rule 6 of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("Rules") read with section 124 of the Companies Act, 2013. Details of these shares are available in the Company's website and can be viewed at <http://www.tnpl.com/DisplayPage.aspx?file=transfer-of-shares-to-IEPF.html>
- 10) As regards dividend pertaining to the financial year ended March 31, 2011 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. Such transfer has already been effected with regard to the unpaid dividend for the financial years 1997-98 to 2009-2010. The unpaid dividend for the financial year 2010-11 (final) will be transferred to the above fund during November 2018. The shares in respect of dividend for the year 2010-11 will also be transferred by the Company in the 'Investor Education and Protection Fund' as per section 124 of the Companies Act, 2013 and the applicable rules. Individual notices will be sent to the members concerned requesting them to encash their unclaimed dividends failing which the corresponding shares will be transferred to IEPF. An Advertisement will also be published in the newspapers. Members are therefore requested to lodge their claims for unpaid dividend, if any, immediately with the Registrar and Share Transfer Agent as mentioned below or with the Company at the Company's registered office.

- 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 Agent viz. Cameo Corporate Services Limited Unit : Tamil Nadu Newsprint and Papers Limited, 'Subramanian Building', 1 Club House Road, Chennai 600 002. In respect of shares held by you in dematerialized form, you may do the same with your depository participant.
- 12) Electronic copy of the Notice of the 38<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 same is being sent through permitted mode.
- 13) Members may note that the Notice of the 38<sup>th</sup> Annual General Meeting and the Annual Report for Financial Year 2017-2018 will also be available on the company's website [www.tnpl.co.in](http://www.tnpl.co.in) for their download. The physical copies of the aforesaid documents will also be available in 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 requests to the company's investor email id: [invest\\_grievances@tnpl.co.in](mailto:invest_grievances@tnpl.co.in)
- 14) A route map showing directions to reach the venue of the 38<sup>th</sup> AGM is given at the end of this notice as per the requirement of the Secretarial Standards-2 on "General Meeting".

#### 15) Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, the company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the 38<sup>th</sup> Annual General Meeting (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 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.
- IV. The remote e-voting period commences on 15<sup>th</sup> September, 2018 (9.00 a.m. IST) and ends on 18<sup>th</sup> September 2018 (5.00 pm IST). During this period members of the company holding shares either in physical form or in dematerialized form, as on the cut off date (i.e 12<sup>th</sup> September 2018), 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:
  - A. 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:

	<b>For Members holding shares in Demat Form and Physical Form</b>
<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> <ul style="list-style-type: none"> <li>• 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.</li> <li>• 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.</li> </ul>
<b>Dividend Bank Details OR Date of Birth (DOB)</b>	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both 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 for the 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 a demat account holder has forgotten the login 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. Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively on or after 30<sup>th</sup> June 2016. Please follow the instructions as prompted by the mobile app while voting on your mobile.
- xviii. 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 linked in the login should be e-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.

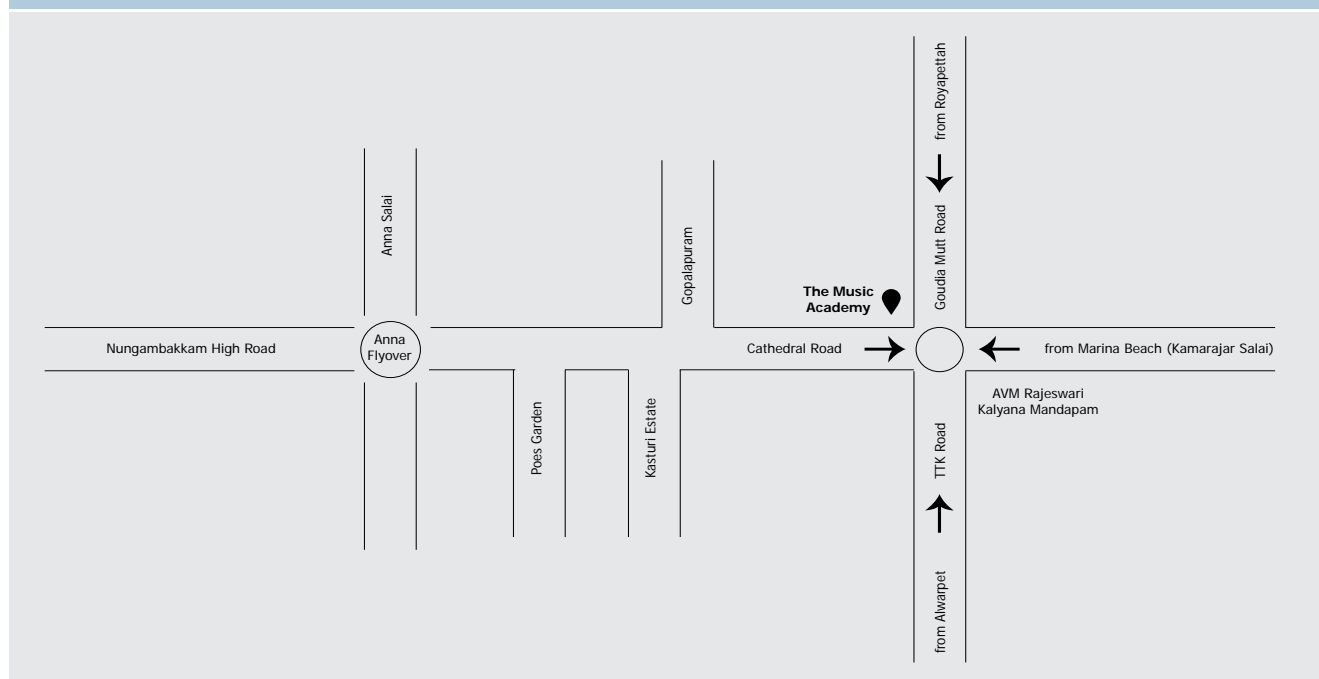
**B. IN CASE OF MEMBERS RECEIVING THE PHYSICAL COPY:**

Please follow all steps from Sl. No. (i) to (xviii) in Point A above to cast vote

- xix. 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).
- 16) 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 12<sup>th</sup> September, 2018.
- 17) 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 cutoff date i.e. 12<sup>th</sup> September 2018, 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)
- 18) 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 e-voting as well as voting at the AGM through ballot paper
- 19) Thiru R Sridharan, Practicing Company Secretary (Membership No.F4775) of M/s R. Sridharan and Associates has been appointed as the Scrutiniser to scrutinize the voting and remote e-voting process in a fair and transparent manner. Their email id is [rsaevoting@gmail.com](mailto:rsaevoting@gmail.com).
- 20) 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.
- 21) 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 48 hours 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.
- 22) 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 the BSE, and National Stock Exchange.
- 23) Additional information pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of the Directors seeking appointment / re-appointment at the AGM are furnished and forms a part of the Notice. The Directors have furnished the requisite consents / declarations for their appointment / re-appointment.
- 24) 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.
- 25) Members are informed that the Company is extending the Electronic Clearing Service (ECS) facility to enable them to 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 Cameo Corporate Services, whose address is given in Point No.11 (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.

- 26) Members/Proxies/Authorised Representatives are requested to bring the attendance slip sent with Annual Report duly filled in for attending the meeting.
- 27) 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.
- 28) 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.
- 29) Equity shares of the company have been placed under Compulsory Demat Trading w.e.f. 08.05.2000. 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.
- 30) 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 Agent.
- 31) 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 authorizing their representative to attend and vote on their behalf at the meeting.
- 32) 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 M/s. Cameo Corporate Services Ltd.
- 33) 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 Cameo Corporate Services Ltd.
- 34) 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.

### Route map for the venue of AGM



## ANNEXURE TO THE NOTICE

Notes on directors seeking appointment/re-appointment as required under Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015:

### Profile of Directors being appointed/ reappointed

#### ITEM NO.3

#### Profile of Thiru K Shanmugam, IAS

Name	Thiru K Shanmugam, IAS
Age	57 years
Qualification	MSc (Agriculture)
Experience	Thiru K. Shanmugam, IAS belongs to 1985 batch of Indian Administrative Service. Thiru K. Shanmugam, IAS has 32 years of service in various departments of Government of Tamil Nadu. Currently, Thiru K. Shanmugam, IAS, holds the position of Additional Chief Secretary to Government, Finance Department.
Inter-se Director Relationship	Thiru K. Shanmugam, IAS is not having any inter se relation with other Directors of the Company.
Shareholding	Thiru K. Shanmugam, IAS does not hold any shares in TNPL.
Directorships and Committee Memberships of other companies	Thiru K. Shanmugam, IAS is having Directorships and Committee Memberships in the following Companies:

Sl. No.	Company	Position	Committee* Membership
1.	Chennai Metro Rail Limited	Nominee Director	Audit Committee
2.	Tamil Nadu Transmission Corporation Limited	Nominee Director	Audit Committee
3.	Tamil Nadu Generation and Distribution Corporation Limited	Director	Audit Committee
4.	TNEB Limited	Director	Audit Committee
5.	Tamil Nadu State Marketing Corporation Limited	Director	-
6.	Tamil Nadu Industrial Development Corporation Limited	Nominee Director	-
7.	State Industries Promotion Corporation of Tamil Nadu Limited	Director	Audit Committee

8.	Tamil Nadu Infrastructure Fund Management Corporation Limited	Director	-
9.	Tamil Nadu Skill Development Corporation	Director	-
10.	Tamil Nadu Small Industries Development Corporation Limited	Nominee Director	-

\* Only membership in Audit and Stakeholders' Relationship Committee is considered.

#### ITEM NO.6

#### Profile of Tmt. Anu George, IAS

Name	Tmt. Anu George, IAS
Age	41 years
Qualification	MA (Sociology), M.Phil (Sociology)
Experience	Tmt. Anu George, IAS belongs to 2003 batch of Indian Administrative Service. She has held various key positions in departments of Government of Tamil Nadu as Sub-Collector Tiruppattur, Additional Collector - Tiruvannamalai, Deputy Commissioner - Education, Municipal Commissioner - Ambattur, Deputy Commissioner - Revenue & Finance, Collector - Ariyalur and Additional Secretary- Protocol. Currently, Tmt. Anu George, IAS holds the position of Director of Sugar and Managing Director, Tamil Nadu Sugar Corporation.
Inter-se Director Relationship	Tmt. Anu George, IAS is not having any inter se relation with other Directors of the Company.
Shareholding	Tmt. Anu George, IAS does not hold any shares in TNPL.
Directorships and Committee Memberships of other companies	Her Directorships and Committee memberships of other Companies are:

Sl. No.	Company	Position	Committee Membership
1.	Tamil Nadu Sugar Corporation Limited	Managing Director	-
2.	Perambalur Sugar Mills Limited	Chairman & Managing Director	-



**ITEM NO.7****Profile of Thiru S Sivashanmugaraja, IAS**

Name	Thiru S Sivashanmugaraja, IAS
Age	53 years
Qualification	B.Sc., B.E. (Civil)
Experience	Thiru S. Sivashanmugaraja, IAS belongs to 2003 batch of Indian Administrative Service and has held various key positions in departments of Government of Tamil Nadu. Served as Collector, Kancheepuram District and held various key positions at Anna Institute of Management, Tamil Nadu Housing Board, SIDCO and the office of the Hon'ble Governor of Tamil Nadu.
Inter-se Director Relationship	Thiru S. Sivashanmugaraja, IAS is not having any inter se relation with other Directors of the Company.
Shareholding	Thiru S. Sivashanmugaraja, IAS does not hold any shares in TNPL.
Directorships and Committee Memberships of other companies	His Directorships and Committee memberships of other Companies are NIL.

**ITEM NO.8****Profile of Thiru V. Chandrasekaran**

Name	Thiru V. Chandrasekaran
Age	60 years
Qualification	B.Com, F.C.A
Experience	Thiru V Chandrasekaran has worked for nearly 32 years in Finance and Investment functions of Life Insurance, Housing Finance and Mutual Fund in Life Insurance Corporation of India (LIC) with adequate exposure to a gamut of Investments and involved in Investment decision making processes, Investment Monitoring and Accounting. The 3 decades of managerial experience is supported by academic and professional background as a Fellow Member of Institute of Chartered Accountants of India. His Key competencies include Treasury Functions in Equity, Debt and Money Markets, Investment Strategies and Analysis, Credit Review and Monitoring, Project Finance, Venture Capital, Investee Company Affairs, Equity Research Credit Appraisal in Housing Finance including both Retail and Project Finance. Amongst other key positions, he has also held the following positions in LIC of India :

	<p>- As Executive Director (Finance &amp; Accounts) from June 2013 to June 2015</p> <p>- As Executive Director (Investment Monitoring &amp; Accounting) from June 2015 to May 2016.</p> <p>As Executive Director (Investment Operations) from May 2016 till April 2017 and subsequently as Executive Director- Investment, Risk Management and Research till retirement.</p> <p>Thiru V Chandrasekaran is currently on the board of various companies including UTI Venture Funds Management Company Pvt. Ltd, Legal Entity Identifier India Ltd., LICHFL Asset Management Company Ltd. and Care Ratings Limited.</p>
Inter-se Director Relationship	Thiru V Chandrasekaran is not having any inter se relation with other Directors of the Company.
Shareholding	Thiru V Chandrasekaran does not hold any shares in TNPL.
Directorships and Committee Memberships of other companies	Thiru V Chandrasekaran is having Directorships and Committee Memberships in the following Companies:

Sl. No.	Company	Position	Committee Membership
1.	UTI Venture Funds Management Company Private Limited.	Director	-
2.	LICHFL Asset Management Company Limited	Director	Audit Committee
3.	Legal Entity Identifier India Limited	Director	-
4.	Care Ratings Limited	Additional Non Executive Director	-

\* Only membership in Audit and Stakeholders' Relationship Committee is considered.

**ITEM NO.9****Profile of Thiru K Gnanadesikan, IAS**

Name	Thiru K Gnanadesikan, IAS
Age	58 years
Qualification	M.Sc. (Social Sciences) (UK), B.E. (Hons) (E&CE)
Experience	Thiru K. Gnanadesikan, IAS belongs to 1982 batch of Indian Administrative Service. He served on TNPL Board as a Nominee Director of GOTN, holding the position as Non-Executive Director of the Company from May 2005 to January 2007.

	He has held various key positions in departments of Government of Tamil Nadu and was Director / Managing Director in various State Government Companies. Currently, Thiru K Gnanadesikan, IAS holds the position of Additional Chief Secretary to Government, Industries Department.
Inter-se Director Relationship	Thiru K Gnanadesikan, IAS is not having any inter se relation with other Directors of the Company.
Shareholding	Thiru K Gnanadesikan, IAS does not hold any shares in TNPL.
Directorships and Committee Memberships of other companies	Thiru K Gnanadesikan, IAS is having Directorships and Committee Memberships in the following Companies:

Sl. No.	Company	Position	Committee Membership
1.	Tamil Nadu Industrial Development Corporation Ltd.	Director	-
2.	State Industries Promotion Corporation of Tamil Nadu Ltd.	Chairman	-
3.	Tamil Nadu Cements Corporation Limited	Chairman	-
4.	Tamil Nadu Generation and Distribution Corporation Limited	Director	-
5.	Titan Company Limited	Chairman	-
6.	TIDEL Park Limited	Chairman	-
7.	Tamil Nadu Petroproducts Ltd	Chairman	-
8.	Tamil Nadu Minerals Limited	Chairman	-
9.	Tamil Nadu Industrial Investment Corporation Limited	Director	-
<b>Section 8 Companies</b>			
10.	Tamil Nadu Trade Promotion Organisation	Director	-
11.	Indian Institute of Technology, Madras	Director	-

#### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

##### ITEM NO.5

The Board of Directors at their meeting held on 30<sup>th</sup> May, 2018 have approved the appointment of M/s. Geeyes & Co. (Firm Registration No. 000044), Cost and Management

Accountants, Chennai as Cost Auditors to conduct the audit of the Cost Accounts of the Company pertaining to Paper, Cement, Energy and Paper Board for the financial year 2018-19 at a remuneration given in the resolution in the notice.

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 and Key Managerial Personnel either directly or through their relatives are in any way concerned or interested whether financially or otherwise in the proposed resolution. The Board recommends the passing of the resolution as set out under item no. 5 as an ordinary resolution.

##### ITEM NO.6

Government of Tamil Nadu vide G.O.(Rt). No. 323 dated 07.09.2017 nominated Tmt. Anu George, I.A.S., Director Sugar and Managing Director, Tamil Nadu Sugar Corporation as a Director on the Board of the Company.

Accordingly, Tmt. Anu George, I.A.S., (DIN 07940662) was appointed as an Additional Director of the Company with effect from 19.09.2017, by the Board of Directors in terms of Section 161(1) of the Companies Act, 2013. Tmt. Anu George, I.A.S., holds office upto the date of this Annual General Meeting. The Company has received a notice in writing from a member proposing her candidature for the office of Director under Section 160 of the Act.

Tmt. Anu George, IAS belongs to the 2003 batch of Indian Administrative Service. She has held various key positions in departments of Government of Tamil Nadu as Sub-Collector Tiruppattur, Additional Collector - Tiruvannamalai, Deputy Commissioner - Education, Municipal Commissioner - Ambattur, Deputy Commissioner - Revenue & Finance, Collector - Ariyalur and Additional Secretary- Protocol. Currently, Tmt. Anu George, IAS holds the position of Director of Sugar and Managing Director, Tamil Nadu Sugar Corporation Limited.

The Board of Directors recommends this resolution for your approval.

None of the Directors of the Company and their relatives or key managerial personnel and their relatives other than Tmt. Anu George, IAS., is interested or concerned in the resolution.

##### ITEM NO.7

Government of Tamil Nadu vide G.O. (Rt.) No. 3962 dated 23.11.2017 of Public (Special. A) Department, nominated Thiru S. Sivashanmugaraja, IAS, as the Managing Director of the Company who took charge from 29.11.2017. Accordingly, the Board of Directors of your Company have appointed Thiru S. Sivashanmugaraja, IAS as an Additional Director of the Company with effect from 29.11.2017 in terms of Section 161(1) of the Companies Act, 2013 and

designated him as Managing Director from 29.11.2017. Thiru S. Sivashanmugaraja, IAS holds office upto the date of this Annual General Meeting. The Company has received a notice in writing from a member proposing his candidature for the office of Director under Section 160 of the Act.

Pursuant to Section 196 of the Companies Act, 2013 (Act) and subject to the provisions of Section 197 and Schedule V of the Act, the appointment and terms and conditions of Managing Director has to be approved by the Members of the Company in general meeting. The terms and conditions of his appointment including remuneration payable to him are governed by the orders of the Govt. of Tamil Nadu vide G.O.Ms.No.167 Public (Spl-A) Department dated 21.2.1994. Copies of the said order is available for inspection by the members at the Registered Office of the Company.

Thiru S. Sivashanmugaraja, IAS belongs to 2003 batch of Indian Administrative Service and has held various key positions in departments of Government of Tamil Nadu. Served as Collector, Kancheepuram District, and held various key positions at Anna Institute of Management, Tamil Nadu Housing Board, SIDCO and the office of the Hon'ble Governor of Tamil Nadu.

The Board of Directors recommends this resolution for your approval.

None of the Directors of the Company and their relatives or key managerial personnel and their relatives other than Thiru S. Sivashanmugaraja, IAS is interested or concerned in the resolution.

#### ITEM NO.8

Thiru V Chandrasekaran (DIN 03126243) was appointed as an Additional (Independent) Director of the Company with effect from 13.11.2017, by the Board of Directors in terms of Section 161(1) of the Companies Act, 2013. Thiru V Chandrasekaran holds office upto the date of this Annual General Meeting. In terms of Section 160 of the Companies Act, 2013, the Company has received a notice in writing from a member proposing the candidature of Thiru V Chandrasekaran for the office of Independent Director to be appointed as such under the provisions of Section 149 and 152 of the Companies Act, 2013.

Thiru V Chandrasekaran has worked for nearly 32 years in Finance and Investment functions of Life Insurance, Housing Finance and Mutual Fund in Life Insurance Corporation of India (LIC) with adequate exposure to a gamut of Investments and involved in Investment decision making processes, Investment Monitoring and Accounting. The 3 decades of managerial experience is supported by academic and professional background as a Fellow Member of Institute of Chartered Accountants of India. His Key competencies include Treasury Functions in Equity, Debt and Money Markets, Investment Strategies and Analysis, Credit Review and Monitoring, Project Finance, Venture Capital, Investee Company Affairs, Equity Research Credit Appraisal in Housing Finance

including both Retail and Project Finance. Amongst other key positions, he has also held the following positions in LIC of India :

- As Executive Director (Finance & Accounts) from June 2013 to June 2015
- As Executive Director (Investment Monitoring & Accounting) from June 2015 to May 2016.

As Executive Director (Investment Operations) from May 2016 till April 2017 and subsequently as Executive Director-Investment, Risk Management and Research till retirement.

Thiru V Chandrasekaran is currently on the board of various companies including UTI Venture Funds Management Company Pvt. Ltd, Legal Entity Identifier India Ltd., and LICHFL Asset Management Company Ltd. and Care Ratings Limited.

The company has received from Thiru V Chandrasekaran (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.

In the opinion of the Board of Director, Thiru V Chandrasekaran, proposed to be appointed as Independent Director, fulfills the conditions specified in the Companies Act, 2013 and the rules made thereunder and has submitted declaration fulfilling the criteria of independence provided under section 149(6) of the Companies Act, 2013.

The Board of Directors recommends this resolution for your approval.

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

#### ITEM NO.9

Government of Tamil Nadu vide G.O. (D) No. 15 Industries (MIA.2) Department dated 29.01.2018 appointed Thiru K Gnanadesikan, IAS, Additional Chief Secretary to Government, Industries Department as Chairman of the Company.

Accordingly, Thiru K Gnanadesikan, IAS (DIN 00111798) was appointed as an Additional Director of the Company with effect from 31.01.2018 by the Board of Directors in terms of Section 161(1) of the Companies Act, 2013 (Act). Thiru K Gnanadesikan, I.A.S., holds office upto the date of this Annual General Meeting. The Company has received a notice in writing from a member proposing his candidature for the office of Director under Section 160 of the Act.

Thiru K Gnanadesikan, IAS belongs to 1982 batch of Indian Administrative Service. He served on TNPL Board as a Nominee Director of GOTN, holding the position as Non-Executive Director of the Company from May 2005 to January



2007. He has held various key positions in departments of Government of Tamil Nadu and was Director / Managing Director in various State Government Companies. Currently, Thiru K Gnanadesikan, IAS holds the position of Additional Chief Secretary to Government, Industries Department.

The Board of Directors recommends this resolution for your approval.

None of the Directors of the Company and their relatives or key managerial personnel and their relatives other than Thiru K Gnanadesikan, I.A.S., is interested or concerned in the resolution.

#### **ITEM NO. 10(a) & 10(b)**

The Board at its 230<sup>th</sup> meeting held on 19.9.2013 had passed a resolution for enhancing the borrowing limits from ₹ 1500 crores to ₹ 2500 crores under section 293(1)(d) of the Companies Act, 1956 and thereafter shareholders had through postal ballot passed a special resolution on 21<sup>st</sup> November, 2013 granting consent for enhancement in Company's borrowing limits comprising of both rupee loan and foreign currency loan to ₹ 2500 Crore (Rupees Two thousand and five hundred crore only) under Section 293(1)(d) / 180(1) (c) of the Companies Act, 1956 / 2013.

The Board at its 265<sup>th</sup> meeting held on 14.6.2018, had accorded approval for implementation of its Mill Expansion Plan (MEP) at Unit II in a phased manner – Pulp Mill capacity of 400 TPD and 1,65,000 MT of Printing and Writing Paper with a total capital outlay of ₹ 2520 crores. For this purpose, the company may have to go for borrowings from financial institutions/ Banks or other bodies. The existing borrowings together with proposed borrowings may go upto ₹ 4000 Crores which is beyond the existing limit of ₹ 2500 crores. This requires shareholders approval.

The borrowings to be made to raise long term finance for implementation of its existing / new projects or other expansion programs by way of long term loan / issue of any Debentures / Cash Credit facilities or the like from Financial Institutions / Banks or other bodies are required to be secured by creation of charge / mortgage to the extent and in such manner as may be agreed to between the Board of Directors of the Company and the said lenders. Accordingly, it is proposed to have corresponding authorization for creation of charge on assets of the Company in respect of the borrowings.

As the proposed Resolution for Borrowing limits of the Company under Section 180(1)(c) of the Companies Act, 2013 and Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings under Section 180 (1)(a) of the Companies Act, 2013 requires the approval of the shareholders through a Special Resolution, it is proposed to seek the approval of the shareholders.

The Board of Directors of your Company recommends the Special Resolution as set out in the Notice for approval of the Members.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are in, any way concerned or interested, financially or otherwise, in the resolution set out at item no 10(a) and 10(b) of the notice.

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

Place: Chennai  
Date: 30.05.2018

BY ORDER OF THE BOARD  
**V SIVAKUMAR**  
Company Secretary

## DIRECTORS' REPORT

### TO THE MEMBERS

Your Company's Directors are pleased to present the 38<sup>th</sup> Annual Report of the Company along with audited financial statements for the financial year ended 31<sup>st</sup> March, 2018.

### 1. FINANCIAL RESULTS

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

(₹ in Crore)

Particulars	2017-18	2016-17
Revenue from operations (including Excise Duty)	3125.10	3101.77
Other Income	33.60	36.95
<b>Operating Profit (PBDT/EBIDTA)</b>	<b>438.47</b>	765.90
Finance cost	244.63	252.02
<b>Gross Profit (PBDT)</b>	<b>193.84</b>	513.88
Depreciation & Amortization expense	221.83	207.68
<b>Profit/(Loss) before tax</b>	<b>(27.99)</b>	306.20
Tax Expense	14.16	41.64
<b>Profit/(Loss) after tax</b>	<b>(42.15)</b>	264.56
Other Comprehensive Income	3.10	(7.03)
<b>Total Comprehensive Income (Net of Taxes)</b>	<b>(39.05)</b>	257.53

Tamil Nadu where the Company's production facilities are located, has witnessed severe drought and water shortage during the year. The water shortage became acute since February 2017. As paper production is highly water intensive, water shortage has affected production since February 2017 and the production normalized by last week of July, 2017. During the year from April, 2017 to July, 2017, the Company lost production equivalent to 46041 MT of paper, 33302 MT of Hard Wood Pulp and 46350 MT of Chemical Bagasse. Your Company has managed the serious unforeseen set back to a larger extent by reducing the fresh water consumption through extensive recycling of process water and implementing contingency plans on time. But for the proactive measures taken by the company, the production loss would have been much higher. Despite the severe hardship during the water crises your Company has delivered good results in remaining part of the year.

### 2. DIVIDEND

In accordance with "the Companies (Declaration and payment of dividend) Rules, 2014, your directors recommend a dividend of 50% (i.e., ₹ 5/- per share) out of 'free reserves' for the year ended 31<sup>st</sup> March, 2018. 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 19<sup>th</sup> September, 2018. The cash outgo on the proposed dividend including Dividend distribution tax, will be ₹ 41.72 Crore.

### 3. PERFORMANCE HIGHLIGHTS OF THE YEAR

#### a) Operations

- The Company's turnover during the year 2017-18 is 3037.02 crore
- Loss before tax is ₹ 27.99 crore and Loss after tax ₹ 42.15 crore.

#### Printing and Writing Paper

- During the year the Paper production was 353959 MT.
- Achieved Paper sales of 3,52,937 MT during the FY 2017-18. Domestic Sales accounts for 77% and Exports at 23%.

#### Packaging Paper Board

- The packaging paper board plant production was 1,41,851 MT during the financial year 2017-18, equivalent to 70.90% of capacity.
- The packaging paper board sales during the year 2017-18 was 1,42,739 MT. Domestic Sales accounts for 86% and Exports at 14%.
- 2,69,938 tonnes of Hardwood, chemical Bagasse Pulp and Deinked Pulp were produced during the year.
- Generated 5263 lakh units of power, 5201 lakh units were internally consumed and 62 lakh units exported to the state grid (Unit I). Generated 1130 lakh units of power, 1038 lakh units were internally consumed and 92 lakh units exported to the state grid (Unit II).

9. The bio-methanation plants have generated methane gas of 63.26 lakh m<sup>3</sup> during 2017-18. The methane gas was consumed in lime kiln and power boilers in replacement of furnace oil 3724 KL and imported coal 319 MT.
10. The wind farms with an installed capacity of 35.5MW capacity have generated 515 lakh Kwh Units of 'Green Power' during the year.
11. The Paper & pulp mill have implemented various water conservation projects and reduced the overall consumption of water from 40 KL/per ton to about 27 KL/Per ton of paper which is one of the lowest in paper industry.
12. TNPL is the First and only company in the Indian Paper Industry to have established a cement manufacturing factory to convert the mill wastes lime sludge and flyash into high grade cement as part of its solid waste management system. During the year, the Company has manufactured 2,27,947 MT of cement.
13. The Company has reduced overall debt (Term Loan and Working Capital) to an extent of ₹ 397.84 Crore during the financial year 2017-18.
14. Market Capitalization crossed ₹ 3453.61 crore mark first time during the year on 08.01.2018. Market Capitalization as on 31.03.2018 was ₹ 2407.49 crore

**b) Projects Implemented:**

**Key Development Projects Implemented**

**Installation of Roll grinding machine in TNPL Unit II**

A new Roll grinding machine was planned for installation in TNPL Unit II for regular regrinding of the Board Machine rolls (rubber covered and steel covered rolls including the dryer cylinders), at a capital outlay of ₹ 25 Crore. The installation of the machine was completed in September 2017. After the trials, the machine was put into continuous operation from October 2017.

**Installation of additional Bio-gas reactor in TNPL Unit I**

The Company had four (4) nos. of UASB reactors in the Bio-methanation plant handling a hydraulic load of 15,000 to 16,000 m<sup>3</sup>/day and COD load of 75,000 to 85,000 kg/day. In order to improve the biogas plant efficiency and reduce organic load on forward system, two more bio-reactors were installed. The bio-reactors were commissioned in August 2017.

**Augmentation of Electrostatic Precipitator for Recovery Boiler in TNPL Unit I**

The recovery boiler was provided with a twin chamber Electrostatic precipitator (ESP) to control the particulate emissions to less than 50 mg/NM<sup>3</sup>. An additional ESP chamber, was planned and installed, so as to improve the

overall environmental efficiency of the Recovery boiler. The project was commissioned in March 2018.

**PROJECTS UNDER IMPLEMENTATION**

**Mill Expansion Plan of TNPL Unit II**

As part of the growth plan, TNPL has embarked on a Mill Expansion Plan (MEP) in Unit II for producing 1,65,000 MT of paper per annum by way of installing a state-of-the-art Paper Machine, a 400 tpd chemical hardwood pulp mill with chemical recovery boiler, augmentation of Captive power plant and Waste water treatment plant and other auxiliaries at a total capital outlay of ₹ 2,100 crores.

Based on the approved Terms of Reference (TOR) by the Ministry of Environment, Forest and Climate Change (MOEFCC), an EIA (Environment Impact Assessment) study was conducted from June to August 2017. A detailed EIA report has been prepared by the consultants. Based on this report, a Public hearing shall be conducted by the Tamil Nadu Pollution Control Board (TNPCB) as per the requirements of MOEFCC. The Environmental Clearance (EC) for the Project shall be issued by MOEFCC based on the Expert committee appraisal. After securing the EC, the project implementation shall be taken up.

With the implementation of the expansion plant, the overall paper and packaging board production capacity in Unit I and Unit II of your company will be increased to 7,65,000 MT per annum from the current capacity of 6,00,000 MT per annum along with pulping facilities.

**c) Contribution to Environment**

- 1) TNPL is one among the 35 of the world's most important pulp and paper manufacturers participated in WWF Environmental Paper Company Index (EPIC) 2017.
- 2) Production of 1.16 Lakh MT of bagasse pulp and 85,119 MT of Deinked pulp during the year has facilitated conservation of 8.5 Lakh MT of pulpwood.
- 3) "World Environment Day", "International Ozone Day" and "World Water Day" were celebrated involving school children in planting trees.
- 4) 3406 MT of carbon dioxide content in the Flue gas generated in the cement mill has been consumed in the PCC plant for producing 7582 MT of PCC.
- 5) The Company has generated about 515 Lakh KWH Wind energy during 2017-18.
- 6) 63.26 Lakh m<sup>3</sup> methane generated in the Bio-methanation plant was consumed in lime kiln and Power Boilers saving 3724 KL of Furnace oil and 319 MT of imported coal.



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

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.

**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 out sourced 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 has spent ₹ 9.32 Crore on R & D activities during the year.

**f. Awards**

- Mission Energy Foundation, Maharashtra has awarded TNPL "Fly ash utilization 2018 Award" in the category of Green Building Material –Cement.
- TNPL has been awarded as "Water Stewardship Award " during India Corporate Governance and Sustainability Vision Summit 2018 New Delhi conducted by Indian Chamber of Commerce.
- TNPL has been selected and awarded as "Efficient Water Management Unit" at Confederation of Indian Industry (CII) for Excellence in Water Management – 2017 "Within the Fence" during Water Innovation Summit 2017 at New Delhi.
- TNPL received "Most Innovative Project" award for the Environmental Best Practices Award 2017 conducted by CII-Sohrabji Godrej Green Business Centre, Hyderabad.
- TNPL has bagged the 18<sup>th</sup> National Award for Excellence in Energy Management for the year 2017 from Confederation of Indian Industry.

**4. MARKET TRENDS****a) General**

Total installed capacity of Indian Paper Industry including Newsprint is approximately 16 Million Metric Tonnes and average capacity utilization is 90%. Overall consumption inclusive of imports and net of exports is about 14 million metric tonnes.

The average per capita consumption in India is around 13 kgs against the global average consumption of 58 kgs. The growth rate of paper across the globe is around 1.5%. With the consistent economic growth and greater emphasis for education, the demand growth in India is estimated at 6%, consisting of 5-6% in Printing and Writing paper, 10-12% in Industrial and

Packaging Board, 3-4% in newsprint and speciality papers. The overall GST levied on paper is 12%. Imports from countries covered under Free Trade Agreements (FTA), are levied basic customs duty at zero percent.

**b) Printing & Writing Paper**

During 2010 and 2011, many mills in the country had added capacity. Due to surplus capacity resulting in excess supply impacted price of paper in domestic market. Paper Industry faced acute shortage of pulpwood during 2013. Few mills resorted to importing pulpwood at higher prices. With the steep increase in input costs, paper prices rose during 2013. However, with the paper prices softening in the international market and import of paper in large volume under Free Trade Agreements (FTA), paper prices dropped sharply during 2014 and 2015. The Indian paper industry faced unprecedented challenges both on cost front and market front for two consecutive years 2014 & 2015. The market recovered and stabilized during 2016-17 due to consistent growth in demand and sudden drop in supplies. The shortage in supplies was met through imports mainly from Indonesia and China.

**c) Packaging Boards**

The market for Packaging Board is estimated at 3.50 Million tonnes. Grey-Back Board account for 45%, White-back and other high end varieties (FBB, SBS, Cup Stock.) account for the remaining 55%. The demand growth for packaging boards is estimated at 10-12% per annum.

**d) Outlook**

At the current estimated demand growth at 6%per annum, the domestic consumption is expected to reach 25 million metric tonnes per annum by 2024-25. This offers a good opportunity for capacity addition.

**e) TNPL's response to Market Trends**

TNPL has always been in the forefront matching its capability, capacity and performance with the overall trends in the industry. TNPL has been increasing its production capacity consistently. With the commissioning of board plant, the total production capacity of the company has been increased to 6 lakh MT. Now your company is taking steps to increase the capacity from 6 Lakhs MT per annum to 7.65 Lakhs MT per annum to cope up with the growth in the Industry.

## 5. DIRECTORS & KEY MANAGERIAL PERSONNEL

The details of Directors/ key managerial personnel who were appointed or have ceased to be Director/KMP of the Company during the year 2017-18 are as follows:

Sl. No.	Name of Director/ KMP	Date of Appointment /Cessation	Appointment / Cessation
1.	Tmt. Sarada Jagan	01.04.2017	Ceased to be a Director
2.	Thiru N Kumaravelu	19.04.2017	Ceased to be a Director
3.	Thiru Vikram Kapur, IAS	20.04.2017	Ceased to be a Director
4.	Dr. R.Selvaraj, IAS	20.04.2017	Appointed as Additional Director and designated as Managing Director and regularized as Director at the AGM held on 19.09.2017.
		29.11.2017	Ceased to be a Director
5.	Thiru Atulya Misra, IAS	20.04.2017	Appointed as Additional Director, designated as Chairman and regularized as Director at the AGM held on 19.9.2017.
		31.01.2018	Ceased to be a Director
6.	Tmt. Soundara Kumar	30.06.2017	Appointed as Additional (Independent) Director and appointed as Independent Director at the AGM held on 19.09.2017.
7.	Thiru. Mahesan Kasirajan, IAS	07.09.2017	Ceased to be a Director.
8.	Tmt. Anu George, IAS	19.09.2017	Appointed as Additional Director
9.	Thiru. M.R Kumar	05.10.2017	Ceased to be a Director.

10.	Thiru. V Chandrasekaran	13.11.2017	Appointed as Additional (Independent) Director.
11.	Thiru. S Sivashanmugaraja, IAS	29.11.2017	Appointed as Additional Director designated as Managing Director.
12.	Thiru. K Gnanadesikan, IAS	31.01.2018	Appointed as Additional Director designated as Chairman.
13.	Thiru A Velliangiri	29.03.2018	Ceased to be a Director and CFO.

In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Thiru K. Shanmugam, IAS, Director retires by rotation at the forthcoming Annual General Meeting. He is eligible for reappointment as Director.

### 5.1 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, hereinafter referred to as SEBI Regulations. The Board confirms that the said independent directors meet the criteria as laid down under the Companies Act, 2013 as well as SEBI Regulations.

### 5.2 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. The details of policy are provided in the Corporate Governance Report forming part of this report.

### 5.3 Meetings

A calendar of Meetings is prepared and circulated in advance to the Directors. During the year, eight meetings of Board and seven meetings of Audit Committee 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 Regulation 17(2) of the SEBI Regulations.

## 5.4 Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI Regulations, the Board has internally 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 for the financial year ended 31<sup>st</sup> March, 2018. The guidance note dated January 5, 2017 as suggested by SEBI was referred to while carrying out the annual performance evaluation. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

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 on the following broad criteria i.e. attendance and level of participation at meetings of the Board/Committees, independence of judgement exercised by Independent Directors, interpersonal relationship etc.

The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors in their meeting held on 19.03.2018. The Directors expressed their satisfaction with the evaluation process.

## 6. INTERNAL COMPLAINTS COMMITTEE

As per the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 & Rules made thereunder, the company has constituted an Internal Complaints Committee (ICC) and following are the members:

- i) Tmt. R.S. Tamilarasy, Manager (Lab) – Presiding Officer
- ii) Thiru P. Sundaram, Manager – HR (Member)
- iii) Tmt. M. Pemilabeham, Officer – HR (Member)
- iv) Thiru M. Velliangiri, President, Kanmani Trust, Karur – Member representing NGO

The above members are committed to the cause of women and they possess experience in social work and legal knowledge. During the year under review there were no complaints referred to the Committee.

## 7. AUDITORS

### a) Statutory Auditors

The Comptroller and Auditor General of India appointed M/s. Brahmayya & Co., Chartered Accountants, Chennai, as the Statutory Auditors of the Company for the financial year 2017-18

### b) Cost Auditors

Pursuant to Section 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 paper, cement and energy activities are 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 2017-18. The cost audit report for the year 2017-18 will be submitted to the Central Government before the due date. Cost Audit report for the financial year 2016-17 was filed in scheduled time.

### 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”.

## 8. NON- CONVERTIBLE DEBENTURES

No Non-Convertible Debentures is outstanding as on 31.03.2018.

## 9. 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. During the year under review, 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.

## 10. 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.

## 11. 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 with 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.

## 12. 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).

## 13. PARTICULARS OF LOANS, GUARANTEES AND 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.

## 14. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year, the company has transferred ₹ 10,67,769.00 being the Dividend amount which was 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 124(5) of the Companies Act, 2013.

## 15. UNPAID DIVIDEND STATUS

Dividend was remaining unpaid due to non-confirmation of their new addresses by the concerned shareholders. The unpaid dividend warrants were returned by the postal authorities. Effective follow-up by the Company has resulted in Unpaid Dividend being consistently equal or below 0.5% of the total dividend. 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 and Protection Fund. The table and graph given below summarize the status of Unpaid Dividend.

### DIVIDEND STATUS FOR THE LAST 7 YEARS

(₹ In lakhs)

SL No.	YEAR	SHARE CAPITAL	DIVIDEND %	DIVIDEND AMOUNT	DIVIDEND PAID	DIVIDEND UNPAID AS ON 31.3.2018	% OF PAID DIVIDEND	% OF UNPAID DIVIDEND
1.	2010-11	6921.06	50	3460.53	3449.75	10.78	99.69	0.31
2.	2011-12	6921.06	50	3460.53	3449.31	11.22	99.68	0.32
3.	2012-13	6921.06	50	3460.53	3447.68	12.85	99.63	0.37
4.	2013-14	6921.06	60	4152.63	4136.14	16.49	99.60	0.40
5.	2014-15	6921.06	60	4152.63	4136.13	16.50	99.60	0.40
6.	2015-16	6921.06	75	5190.80	5168.94	21.86	99.58	0.42
7.	2016-17	6921.06	75	5190.80	5164.71	26.09	99.50	0.50





#### 16. 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.

#### 17. HEALTH

TNPL is committed to take care of the health of its employees. An Occupational Health Centre is functioning in both the units. In addition, every week, one specialist Doctor in cardiology, General Medicines, Ortho, Skin, Eye, Dental, ENT, etc., visit the occupational Health centre. Entire medical expenses of employees for 7 Serious Ailments viz. Heart ailment, Cancer, Kidney Transplantation, Paralysis, Leprosy, Tuberculosis and Brain Surgery is borne by the Company. A Comprehensive Master health Check-up is done for employees four times at age of 40, 50, 56 and 59. Every year, Audiometry test is conducted to those employees, who are exposed to High noise areas.

#### 18. SAFETY

TNPL has adopted a clearly defined Occupational Health and Safety Policy. Suitable Personal Protective Equipments (PPE) are provided to all employees. Periodical Training Programs are conducted on handling of hazardous chemicals, Material handling, Usage of PPEs, Electrical safety, road safety, First aid, fire fighting etc. 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. Safety Committee with representatives from Management

and Workmen has been constituted. Safety Committee 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. Mill wide Safety Audit, HAZOP study and Risk Analysis are carried out periodically through experts in industrial safety and the recommendations are implemented. An updated On-site Emergency Plan (OEP) and Off-site Emergency Plan are available to mitigate emergencies. Periodic mock drills for hazardous chemical leakages and fire incident are conducted to ensure the effectiveness of emergency preparedness. 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. Since inception, TNPL has maintained an excellent safety record.

#### 19. 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 IV**.

#### 20. CASH FLOW STATEMENT

As required under Regulation 34(2) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a Cash Flow Statement prepared in accordance with the Indian Accounting Standard 7 (IND AS-7) is attached to the Balance Sheet.

## 21. EXPORT HOUSE STATUS

TNPL has been awarded status of "Three Star Export House" by DGFT - Government of India in accordance with Foreign Trade Policy. This status is valid till 11/10/2020.

## 22. 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.

## 23. 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.

## 24. 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 that:

1. in the preparation of the annual accounts for the year ended 31<sup>st</sup> March, 2018, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. 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 loss of the company for that period;
3. 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. the Annual Accounts were prepared for the financial year ended 31<sup>st</sup> March, 2018 on a going concern basis;
5. 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. 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.

## 25. EXTRACT OF ANNUAL RETURN

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

## 26. MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE

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

As required by the SEBI Regulations, 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.

## 27. BUSINESS RESPONSIBILITY REPORT

The 'Business Responsibility Report' (BRR) of the Company for the year 2017-18 forms part of the Annual Report as required under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as "Annexure VIII"

## 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 or Key Managerial Personnel 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. MATERIAL CHANGES OCCURRED AFTER END OF FINANCIAL YEAR**

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year and date of this report.

## **31. CEO/CFO CERTIFICATION**

As required by Regulation 17(8) of the SEBI Regulation, a Certificate on the Financial Statements and Cash Flow statement of the company for the year ended 31<sup>st</sup> March, 2018 duly signed by the Managing Director and Chief Financial Officer was submitted to the Board of Directors at their meeting held on 30<sup>th</sup> May, 2018.

## **32. 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.

## **33. 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.

Date: 30.05.2018  
Place: Chennai

For and on behalf of the Board  
**K. GNANADESIKAN, IAS**  
**CHAIRMAN**

**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.**

This policy is framed with the larger objective of seeking comprehensive all round development of the area where TNPL's plants are located, primarily in a radius of 5 to 10 km from plant locations at Kagithapuram and Mayanur in Karur district, and Mondipatti in Trichirapalli district. TNPL will also undertake holistic development on a pilot basis in adjoining areas. The broad sectors included in TNPL's CSR policy are Livelihood/Economic Development, Soil and Water Conservation, Education, Public Health and Medicare, Social Development, Environment and Sanitation, Culture and Heritage and Infrastructure Development. The primary focus will be the wellbeing of all citizens in the area. The policy intends to provide the basis for sustainable development of the area. The policy recognizes that the plants cannot function in isolation but be socially responsible. It seeks to promote continuous dialogue with the community upholding ethical practices. The economic and social aspirations of the people in the area are to be recognized and promoted.

CSR policy is stated herein below:

Web link: [http://www.tnpl.com/template/images/CSR\\_POLICY.pdf](http://www.tnpl.com/template/images/CSR_POLICY.pdf)

- 2. Composition of the CSR Committee**

S. No.	NAME OF THE MEMBER	DESIGNATION
1	Thiru N. Narayanan, IAS (Retd.)	Chairman of the Committee
2	Thiru V. Narayanan	Member
3	Thiru V. Nagappan	Member
4	Tmt Soundara Kumar	Member

- 3. Average net profit of the Company for last three financial years:**

Average net profit (before tax) ₹ 284.45 crores.

- 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)**

The Company is required to spend ₹ 569 lakhs.

- 5. Details of CSR spent for the financial year:**

- Total amount budgeted to be spent during the financial year : ₹ 569.00 lakhs.
- Total actual amount spent during the year : ₹ 255.22 lakhs.
- Amount unspent relating to the current year if any : ₹ 313.78 lakhs.
- Manner in which the amount spent during the financial year is detailed below:



**CSR BUDGET AND ITS UTILISATION 2017-2018**

S. 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 or programs was undertaken	Amount out-lay (budget) project or programs wise (₹)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads: (₹)	Cumulative expenditure upto the reporting period (₹)	Amount Spent: Direct or through implementing agency
1	Cultural competitions, Free Education, Infrastructure development in Govt. schools, Sports promotions.	EDUCATION	TAMIL NADU, KARUR AND TRICHY DISTRICT.	1,41,50,000.00	91,81,573.47	91,81,573.47	SPENT DIRECTLY AND THROUGH TNPL ARAKKODAI TRUST, KARUR
2	Special Medical camps, Cattle care camps, Sanitation, Welfare to the Differently abled persons.	HEALTH CARE	TAMIL NADU, KARUR AND TRICHY DISTRICT.	70,32,000.00	32,62,938.55	1,24,44,512.02	
3	Contribution to construct bus passenger shelter, Cross barriers, Bore well for drinking water, Retaining walls for drainages, compound wall, removal of seemai karuvelam trees, setting up of public libraries.	SOCIAL DEVELOPMENT	TAMIL NADU, KARUR AND TRICHY DISTRICT.	1,26,92,000.00	53,57,567.59	1,78,02,079.61	
4	Police constable selection training, Tailoring, Computer and Typewriting training Mushroom cultivation training and training for preparing value added product using millet.	LIVELIHOOD AND ECONOMIC IMPROVEMENT	TAMIL NADU, KARUR AND TRICHY DISTRICT.	87,90,000.00	24,81,030.58	2,02,83,110.19	
5	Contribution to create Landscape Garden, Conservation of animals and natural calamities.	ENVIRONMENT AND SANITATION	TAMIL NADU, KARUR, TRICHY DISTRICTS AND CHENNAI.	64,76,000.00	32,68,271.50	2,35,51,381.69	
6	Preservation of heritage buildings, Promotion of tamil literature, folk, traditional dance etc.,	CULTURE & HERITAGE	TAMIL NADU, KARUR AND TRICHY DISTRICT.	55,60,000.00	19,25,584.67	2,54,76,966.36	
7	Desilting of bunds and planting trees	SOIL AND WATER CONSERVATION	TAMIL NADU, TRICHY DISTRICT.	22,00,000.00	45,500.00	2,55,22,466.36	
<b>Total</b>				<b>5,69,00,000.00</b>	<b>2,55,22,466.36</b>		

**6. In case the Company has failed to spend the two per cent, of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report.**

Due to failure of monsoon and consequent water shortage both Hard Wood Pulp line and Paper Machine # 2 were stopped from April 2017 to July 2017. This resulted in paper production loss of 46041 MT and necessitated the company to purchase pulp from market at a higher price. Both usage of high cost pulp and drop in paper production is the major contributor for the loss during the year. Due to these extreme adverse conditions, TNPL could not spend the allocated amount for CSR activities during the year 2017-18.

**7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and Policy of the Company.**

The TNPL Board and CSR Committee are wholeheartedly committed to fulfilling the Company's CSR vision of aspiring to be a trusted partner while striving to contribute to a safer and better quality of life.

The CSR Committee hereby confirms that the implementation and monitoring of CSR policy, is in compliance with the CSR objectives and Policy of the Company.

**S. SIVASHANMUGARAJA, IAS**

Managing Director

**N. NARAYANAN, IAS (Retd.)**

Chairman CSR Committee

**ANNEXURE – II**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> MARCH, 2018**  
**[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,  
**TAMIL NADU NEWSPRINT & PAPERS LIMITED**  
L22121TN1979PLC007799  
67, Mount Road,  
Guindy,  
Chennai – 600 032.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **TAMIL NADU NEWSPRINT & PAPERS LIMITED** [Corporate Identification Number:L22121TN1979PLC007799] having its Registered Office at 67, Mount Road, Guindy, Chennai– 600032 (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, 2018 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, 2018 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 there under and the Companies Act, 1956 (to the extent applicable);
- (ii) The Securities Contracts (Regulation) Act, 1956 (‘SCRA’) and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) During the year under review, the Company has not dealt with the matters relating to Foreign Direct Investment, Overseas Direct Investment. Regarding External Commercial Borrowings the company has complied with the provisions of Foreign Exchange

Management Act, 1999 (FEMA) and the rules and regulations made there under.

- (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; and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - 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) Based on the information furnished to us and taken on record by the Board of Directors at their meeting, we have examined the adequacy of systems and processes in place to monitor and ensure compliance under the other applicable Laws, Rules, Regulations and Guidelines prescribed under various Acts which are specifically applicable and as identified by the Company and categorized under the following major heads/groups:
1. Atomic Energy Act, 1962 & Atomic Energy (Radiation Protection) Rules 2004
  2. The Industries (Development & Regulation) Act, 1951;
  3. Acts relating to consumer protection including The Competition Act, 2002;
  4. Acts and Rules prescribed under prevention and control of pollution;
  5. Acts and Rules relating to Environmental protection and energy conservation;
  6. Acts and Rules relating to hazardous substances and chemicals;
  7. Acts and Rules relating to electricity, motor vehicles, explosives, fire service, boilers, gas cylinders, Petroleum , etc.;
  8. The Information Technology Act, 2000 and rules made thereunder;
  9. Land Revenue Laws and
  10. Other local laws as applicable to the plant and office.
  11. 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.;

With respect to Fiscal laws, we have reviewed the systems and mechanisms established by the Company for ensuring compliances under various Acts and based on the information and explanations 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.

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

- (i) The Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by the Institute of Company Secretaries of India (ICSI).

- (ii) The Uniform Listing Agreement entered into with BSE Limited and National Stock Exchange of India Limited pursuant to the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. However, the company has spent an amount of ₹ 255.22 Lakhs against the amount of ₹ 569 Lakhs to be spent during the year towards Corporate Social Responsibility, for which an explanation has been provided in the Director's Report.

#### **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 before schedule of 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. Agenda/notes on agenda which are circulated less than the specified period, the necessary compliances under the Companies Act, 2013 and secretarial Standards on Board Meetings are complied with. There are no businesses transacted through Video Conferencing / Audio Visual means as provided for under the Companies Act, 2013 and the relevant Rules made there under.

Based on the verification of the records and minutes, the decisions were carried out with the consent of the Board of Directors / Committee Members and no Director / Member dissented on the decisions taken at such Board / Committee Meeting. Further, in the minutes of the General Meeting, the number of votes cast against the resolutions have been properly recorded.

**We further report** that based on review of compliance mechanism established by the Company, and the report placed before the Board and taken on records by the Board of their Directors, we are of the opinion that the management has adequate systems and processes in the Company commensurate with its size and operations, to monitor and ensure compliance with all applicable laws including labour laws, rules, regulations and guidelines.

**We further report** that during the audit period, there were no specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards , etc. referred to above.

Place : Chennai      **For R. SRIDHARAN & ASSOCIATES**  
Date : 30.05.2018      COMPANY SECRETARIES

**CS R. SRIDHARAN**  
CP No. 3239, FCS No. 4775  
UIN : S2003TN063400

**Note:** 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  
**TAMIL NADU 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 records 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. Whereever 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 : 30.05.2018

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

**CS R. SRIDHARAN**  
CP No. 3239  
FCS No. 4775  
UIN : S2003TN063400



### 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 2017-18

##### I (A) ENERGY CONSERVATION MEASURES TAKEN

- a. 1. Consumption of 59.54 Lakh M<sup>3</sup> of Bio gas in Lime Kiln resulted in saving of 3572 KL Furnace oil resulted in net cost savings of ₹ 948.26 Lakhs.
2. Usage of 6891 MT of Wood Dust/ Bark in Power Boilers resulted in saving of 1994 MT of Imported coal thereby savings of ₹ 115.20 Lakhs.
3. Consumption of 2.53 Lakh M<sup>3</sup> of Bio gas in Power Boilers resulted in saving of 78.90 MT of Imported coal thereby the net cost savings of ₹ 21.89 lakhs.
4. Stopping of Power Boiler 5 fly ash compressors and making use of available compressed air from Boiler-6 & 7 fly ash system resulted in power savings of 5,17,853 units and cost savings of ₹ 19.89 Lakhs.
5. Stopping of dregs filter in Caustisizer plant (74 KW) resulted in power saving of 4,90,644 units and the cost saving of ₹ 18.84 Lakhs.
6. Upgradation of Warm water Pump in Paper Machine #1 by replacing 2 Nos. of 110 KW pump with 1 No. 160 kw pump resulted in 2,11,200 units of power saving thereby cost saving of ₹ 8.11 Lakhs.
7. Stopping of Pith Horizontal conveyor and Pith Elevating conveyor of Boiler 1-4 resulted in 2,03,231 units of power savings thereby cost savings of ₹ 7.80 Lakhs
8. Reduction of POW#1 Hydraulic oil motor rating from 160KW to 132 KW resulted in savings of 1,98,000 units of power and the cost saving of ₹ 7.6 Lakhs.
9. Installation of VFD for Caustisizing plant (25 KW) first stage slacers sump box pumps resulted power savings of 1,62,360 units and cost savings of ₹ 6.23 Lakhs.
10. Modification of Pith Distribution system and removal of a conveyor at Pith yard resulted in savings of 1,29,593 units of power and the cost saving of ₹ 4.98 Lakhs.
11. Replacement of 110 KW Deplther motor by 55 KW motor resulted in savings of 1,18,800 units of power and the cost saving of ₹ 4.56 Lakhs
12. Stopping of Lip opening Shower Pump (elimination of 15 KW) equipment resulted in 99,000 units of power saving and the cost saving of ₹ 3.80 Lakhs.
13. Replacement of the End section rope carrier DC motor with AC motor (elimination of 11.4 KW) resulted in 75,240 units of power savings and the cost savings is ₹ 2.89 Lakhs.
14. Thermal Energy Savings by taking Recovery Boiler-3 wash water in WWL tank instead of WBL tank thereby reducing 267 MT of LP steam and Equivalent imported coal saving is 44.48 MT and the cost savings is ₹ 2.57 Lakhs.
15. Installation of VFD for Cloudy water pump (power reduction from 120 KW to 108 KW) in Paper Machine # 1 resulted in 66,000 units of power saving and the cost saving is ₹ 2.53 Lakhs.
16. Reduction of Vacuum Pump pulley size and there by speed of the vacuum pump is reduced in Lime Mud dewatering area which resulted in power savings of 55,440 units and cost savings is ₹ 2.13 Lakhs.
17. Removal of one aqua collection conveyor of 5.5kw capacity in CBP#3 resulted in savings of 43,560 units of power and the cost saving is ₹ 1.67 Lakhs.
18. Installation of VFD for Cross travel (power reduction from 20 KW from 12KW) in Maintenance crane resulted in 33,825 units of power saving and cost saving of ₹ 1.30 Lakhs.
19. Replacement of 400 Nos. of 36W tube lights by 400 nos. of 18W LED Lights in Admin block resulted in 31,536 units of power saving and cost saving of ₹ 1.21 Lakhs.
20. Installing 14 Nos. of Tubular Day Light device in place of 400W metal hallide lamp in paper godown resulted in 26,980 units of power saving and cost saving of ₹ 0.81 Lakhs.
21. By shifting the filtrate receiving tank from ground floor to second floor, LMCD Filtrate Pump was stopped which resulted in power savings of 20,160 units and cost savings of ₹ 0.77 Lakhs.

22. Down sizing of 22KW water pump for cement plant from BR#3 by 15KW pump resulted in power saving of 20160 units and the cost savings of ₹ 0.77 Lakhs.

- (b) Additional investment incurred in implementing of the above proposals - **₹ 152.13 Lakhs**
- (c) 1. Impact of measures at a,b in reduction of energy consumption - **₹ 1076.35 Lakhs**
2. Impact on the cost of production per ton of paper - **₹ 304.09**

## Unit II

- By taking into service 2 Nos. of capacitor banks of 1000 Kvar and 1250 Kvar active power reduction could be achieved to the tune of 300 units per hour which resulted in savings of 1,00,800 units of power and cost saving of ₹ 3.6 Lakhs.
- Installing VFD for De-aerator pump resulted in savings of 84,000 units of power and the cost savings of ₹ 3.02 Lakhs.
- Replacement of 32 Nos. 250 KW metal halide lamps with 150 KW LED lamps resulted in a savings of 21,024 units of power and a cost saving of ₹ 0.76 Lakhs.

## I (B) RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION

### I. SPECIFIC AREAS IN WHICH R&D CARRIED OUT BY THE COMPANY

India's Pulp and Paper industry is one of the core industrial manufacturing sectors which contributed much to socio - economic development of the country. The industry has undergone a significant change during the last three decades. The dynamic policies of the government propelled this sector to integrate with international market. This has warranted the industry to improve its efficiency by reducing energy, water, raw material, other natural resource consumption and waste minimization/generation. To meet the above requirement, TNPL's R & D focused on the concept of 5R's Recycle, Reduce, Reuse, Recreate and Rethink.

The major concern of Indian Paper Industry is increasing trend of input cost, energy cost, cheaper selling price and stringent Environment discharge norms. All the above constraints can be minimized by adopting Clean and Green technology. To march towards this, TNPL's R & D focuses on recycling and reuse of 'Used materials'. TNPL R & D renamed "Waste material" as "Used materials" since this will be the appropriate term in adopting Clean and Green technology.

The Indian paper industry in India needs Clean and Green technology to meet the needs of the international market. The main objective of TNPL R&D is marching towards Clean

and Green approach. The various measures adopted are discussed below.

### Raw Material development:

Micro propagation technique was widely used method in Plant tissue culture to produce Elite pulpwood clones. In the current year, tissue culture protocol was standardized for three Eucalyptus hybrids clones viz. EH-41, EH-16 & EH-9. Seedlings were produced from these clones and supplied to Plantation Department for further multiplication by mini clonal garden technique. For the current year, totally 43,600 tissue culture seedlings were produced and supplied to Plantation department.

### Pulping and Bleaching:

#### Improvement in Hardwood pulping and production

R & D department has coordinated with Valmet study of replacement of liquor impregnation with LP Steam, chips preheating (@120°C) method in hard wood pulping. The method has improved loading of chips, improved uniformity in cooking, eliminate the channeling of liquor which helped to increase the productivity on sustainable basis, consistence in equalizing temperature, consistence in heating, cooking time and total sequence time, end of cooking temperature reduced from 169°C to 160°C, end of cook H factor reduced from 1050 to 650, reduction in white liquor consumption from 20.5 % to 18% on wood, observed very less reject even at high kappa number, improved unbleached pulp brightness from average range of 24-26 to 29-31% ISO.

#### Bleaching of Hardwood and Chemical Bagasse pulp with synthetic chlorine dioxide

Laboratory bleaching studies of synthetic chlorine dioxide was carried out using HWEFC ODL pulp (Press-3outlet) and CBEFC POW 2 Pulp. Laboratory bleaching with synthetic chlorine dioxide was shown that bleachability of HWEFC and CBEFC Pulp with lower synthetic chlorine dioxide consumption in initial chlorine dioxide (D0) stage. Bleaching was continued by caustic reinforced hydrogen peroxide bleaching (EP) stage and finally bleached with TNPL ClO<sub>2</sub> solution. To avoid colour reversion in the final bleached pulp synthetic chlorine dioxide was used in initial D<sub>0</sub> stage. The final pulp brightness, strength properties of synthetic chlorine dioxide bleached pulp have not shown any significant differences. The main advantage of using synthetic chlorine dioxide is a simple preparation method not required any capital investment and bleaching at lower temperature and retention time in D0 stage and extraction stage.

#### Oxidative peroxide bleaching

To decrease the bleached pulp production cost and pollution load, an alternative oxidative peroxide bleaching chemical is identified by R & D for replacing total hydrogen peroxide, Oxygen and 70% of the caustic addition in extraction stage without using L.P Steam for maintaining reaction temperature. Laboratory bleaching studies with single oxidative bleaching chemical shows that similar

Extraction stage brightness with elimination of hydrogen peroxide, Oxygen and lesser addition of caustic solution during bleaching stage. The final D1 stage brightness was not shown any significant variation with similar dosage of chlorine dioxide. This oxidative bleaching chemical also improves the filtrate properties like colour, COD, BOD and TDS which can enhance the extraction filtrate recycling into the system. The strength properties of oxidative bleached pulp have not shown any significant variation.

### **Optimization studies in Bleaching**

Bleaching study was carried out with unbleached Hardwood pulp mixing with Bagasse pulp and found that 10% of HW pulp was mixed with bagasse pulp does not show any significant cleanliness problem and bleaching response was good.

Second consignment of imported wood chips pulping and bleaching studies were carried out and the results were reported as higher pulp yield with increased cooking chemical compared to first consignment due to higher lignin content. Second consignment unbleached pulp was shown that lower (1.5% ISO) brightness, compared to first consignment. But bleached pulp strength properties are comparable with previous consignment pulp. Since initial freeness (CSF) was 550-600ml, to achieve higher strength properties in paper machine end enzymatic refining was recommended.

Cooking aid trial were carried out in the laboratory for hardwood pulping to identify the yield enhancement with reduced white liquor consumption to achieve the required kappa number. Use of cooking aid in the hardwood pulping show higher yield with required kappa number and reduced white liquor consumption.

### **Deinking Plant**

TNPL R & D developed the specification for the supply of Sodium Soap and Hydrogen Peroxide stabilizer to maintain a consistent quality of bleach chemical in Deinking Plant.

### **Soda recovery Plant**

#### **Study report on High Carbonate content in Soda Recovery Boiler#3 ESP ash**

TNPL has explored the possible reason for increase in carbonate content in Soda Recovery Boiler (RB) #3 ESP ash and observed that secondary air flow system (Air bellow) got damaged in Soda recovery Boiler#3. After rectification of secondary air flow system, composition of carbonates has reduced and sulphate content in ESP ash has increased.

#### **Study report on Ring formation in Lime Kiln-1**

TNPL's R & D Department has explored the possible reason for ring formation in lime kiln-1 and observed that the inconsistent feed of lime stone and lime sludge resulted in recarbonation followed by sulfonation and deposited in the kiln wall and suggested the mitigation plan for the same.

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

#### **Improvement of the Bulk of Paper**

R & D suggested that coarser Wet Precipitated Calcium Carbonate (WPCC) from M/s Omya and purchased Precipitated Calcium Carbonate will improve the bulk of the paper. Hence, R&D discussed with M/s Omya to increase the particle size of the WPCC. Accordingly M/s. Omya produced coarser WPCC with particle size of 3.2 microns instead of 2.6 to 2.8 microns. Paper was manufactured with the usage of this coarser WPCC. Considerable improvement in bulk of Paper was observed in the Product even with minimum hard wood pulp in the furnish.

#### **Reduction of Liquid Poly Aluminum Chloride (PAC) in paper machine**

Liquid PAC was being used in the paper machine stock to control the charge demand of the wet end system. Though the usage of Liquid PAC was controlling the charge demand, it leads to increase of chloride level in the paper machine effluent and thereby it increased the Total Dissolved Solids (Inorganic) in the waste water. Hence R&D carried out studies to optimize the consumption of liquid PAC and implemented the same in all three paper machines. The plant trial was successful and the consumption of Liquid PAC was reduced from 8 Kg/T of paper to 3.5 Kg/T of paper in all three paper machines.

From the above optimization, the chloride level in the paper machine waste water has reduced by 100 ppm. The reduction in the usage liquid PAC leads a savings of approximately ₹ 40/MT of paper.

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

- Alternate raw material was established and tissue culture protocol was standardized.
- Improved productivity on sustainable basis was achieved in Hardwood pulping by replacement of liquor impregnation with LP steam.
- Usage of Synthetic Chlorine Dioxide leads to identification of alternate bleaching Chemical without capital investment.
- More recycling of extraction filtrate is possible through oxidative peroxide bleaching.
- Specification for Hydrogen Peroxide stabilizer and Sodium Soap was developed in Deinking Plant.
- High carbonate content in ESP ash of Soda Recovery Boiler and Ring formation in Lime kiln was studied and mitigation plan was suggested.
- Improvement in bulk of Paper with the usage of coarser Precipitated Calcium Carbonate.

- Optimization study on Poly Aluminum Chloride impacted the reduction in consumption and pollution load.
- Reuse of waste water through Activated Carbon filter helps to sustain the production during water crisis of 2017.
- Identification of Water Conservation measures and reuse of waste water through Mobile Reverse Osmosis Plant paved a way to mitigate water crisis of 2018.

### III. FUTURE PROJECTS

#### Raw material development :

- Development of alternate raw material to conventional Bagasse.
- Identification of suitable raw material wood for improvement in the Bulk of Pulp.

#### Process improvement and optimization:

- Stabilization of ODL bleaching in Chemical Bagasse Street.
- Enzymatic refining of wood pulp.
- Sulphide and odour reduction by identification of suitable chemical addition.

#### Environment improvement:

- Optimization of Chemical in various process to reduce Total Dissolved Solids in the waste water.
- Anti- scalant studies to minimise corrosion in the pipe line.
- CO<sub>2</sub> scrubbing in biogas.
- Replacement of Urea and Phosphoric acid in Effluent Treatment Plant by alternate chemical usage

### IV Expenditure on R&D

(₹ In lakhs)

a) Capital	10.40
b) Recurring	921.42
c) Total	931.82
d) Total R&D expenditure as a percentage on turnover	0.31%

### I (C) FOREIGN EXCHANGE EARNINGS

#### a. Activities relating to Exports

During the year company exported 80,822 metric tonnes of paper and 19855 MT of Board to 25 countries. Top few countries are Sri Lanka, Iran, Nigeria, Sudan, Uganda, Turkey, Kenya, Sez, UAE, Philippines.

#### b. Foreign Exchange Earnings (₹ In lakh)

Export of PWP & Board (C&F value)	53599.60
-----------------------------------	----------

### I (D) FOREIGN EXCHANGE OUTGO

#### a. Imports (on CIF basis) (₹ In lakh)

Raw materials	56062.45
Components and Spare parts	2857.86
Imported coal	23616.22
Capital goods	6009.74
<b>Total</b>	<b>88546.27</b>

#### b. Other than imports (₹ In lakh)

Engineering & Supervision charges	374.65
Interest	837.14
Repayment of foreign currency loan (Long Term)	1105.52
Others	207.57
<b>Total</b>	<b>2524.88</b>



**ANNEXURE – IV****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.	Thiru Vikram Kapur IAS <sup>1</sup>	Chairman and Managing Director	0.14
2.	Dr. R Selvaraj, IAS <sup>2</sup>	Managing Director	2.87
3.	Thiru S Sivashanmugaraja IAS <sup>3</sup>	Managing Director	1.76
4.	Thiru A Velliangiri <sup>4</sup>	Deputy Managing Director & Chief Financial Officer	9.27

**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.	Thiru Vikram Kapur IAS <sup>1</sup>	Chairman and Managing Director, (i.e. Chief Executive Officer)	N.A.
2.	Dr. R Selvaraj, IAS <sup>2</sup>	Managing Director (i.e. Chief Executive Officer)	N.A.
3.	Thiru S Sivashanmugaraja IAS <sup>3</sup>	Managing Director (i.e. Chief Executive Officer)	N.A.
4.	Thiru A Velliangiri <sup>4</sup>	Deputy Managing Director & Chief Financial Officer	27.68%
5.	V. Sivakumar	Company Secretary	1.21%

<sup>1</sup> Thiru Vikram Kapur, IAS ceased to be a Director w.e.f. 20.04.2017

<sup>2</sup> Dr. R Selvaraj, IAS was appointed as Additional Director and designated as Managing Director w.e.f. 20.04.2017 and ceased w.e.f. 29.11.2017

<sup>3</sup> Thiru S Sivashanmugaraja IAS was appointed as Additional Director and designated as Managing Director w.e.f. 29.11.2017

<sup>4</sup> Thiru A Velliangiri ceased to be a Director w.e.f. 29.03.2018

\*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: -1.21%**

**d. The number of permanent employees on the rolls of company: 2709**

- e. **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 4.34% KMPs remuneration is increased by 60.62%. During the year 2017-18 the Govt. of Tamil Nadu appointed Managing Director on the Board of the Company and the Company has paid the remuneration to the Managing Director which is included in the KMPs remuneration. Hence, the KMPs remuneration paid during the year has been increased.

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

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

- g. **The statement containing particulars of employees as required under Section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.**

There is no such employee.

**ANNEXURE – V****Form No. MGT-9****EXTRACT OF ANNUAL RETURN****as on the financial year ended on 31<sup>st</sup> March, 2018**

[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-600032. Phone:044-2301094-97, 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-600002 Tel.No.044-28460390-28460395 Fax No.044-28460129

**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.	Paper and Board	1701	95.51%

**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 code	Category of Shareholders	No. of shares held at the beginning of the year As on 1 <sup>st</sup> April, 2017				No. of shares held at the end of the year As on 31 <sup>st</sup> March, 2018				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A.</b>	<b>SHAREHOLDING OF PROMOTER AND PROMOTER GROUP</b>									
<b>1.</b>	<b>INDIAN</b>									
a.	INDIVIDUALS/ HINDU UNDIVIDED FAMILY	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	24444900	0	24444900	35.3196	24444900	0	24444900	35.3196	0.0000
c.	BODIES CORPORATE	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	FINANCIAL INSTITUTIONS/ BANKS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER									
	<b>SUB - TOTAL (A)(1)</b>	<b>24444900</b>	<b>0</b>	<b>24444900</b>	<b>35.3196</b>	<b>24444900</b>	<b>0</b>	<b>24444900</b>	<b>35.3196</b>	<b>0.0000</b>
<b>2.</b>	<b>FOREIGN</b>									
a.	INDIVIDUALS (NON-RESIDENT INDIVIDUALS/ FOREIGN INDIVIDUALS)	0	0	0	0.0000	0	0	0	0.0000	0.0000
b.	BODIES CORPORATE	0	0	0	0.0000	0	0	0	0.0000	0.0000
c.	INSTITUTIONS	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	ANY OTHER									
	<b>SUB - TOTAL (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
	<b>TOTAL SHARE HOLDING OF PROMOTER AND PROMOTER GROUP (A) = (A)(1)+(A)(2)</b>	<b>24444900</b>	<b>0</b>	<b>24444900</b>	<b>35.3196</b>	<b>24444900</b>	<b>0</b>	<b>24444900</b>	<b>35.3196</b>	<b>0.0000</b>



Category code	Category of Shareholders	No. of shares held at the beginning of the year As on 1 <sup>st</sup> April, 2017				No. of shares held at the end of the year As on 31 <sup>st</sup> March, 2018				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>B.</b>	<b>PUBLIC SHAREHOLDING</b>									
<b>1.</b>	<b>INSTITUTIONS</b>									
a.	MUTUAL FUNDS/ UTI	4476311	12800	4489111	6.4861	11040663	5400	11046063	15.9600	9.4739
b.	FINANCIAL INSTITUTIONS/ BANKS	461639	1400	463039	0.6690	430771	1400	432171	0.6244	-0.0446
c.	CENTRAL GOVERNMENT/ STATE GOVERNMENT(S)	1342820	1465760	2808580	4.0580	1342820	1465760	2808580	4.0580	0.0000
d.	VENTURE CAPITAL FUNDS	0	0	0	0.0000	0	0	0	0.0000	0.0000
e.	INSURANCE COMPANIES	9683109	400	9683509	13.9913	9353957	400	9354357	13.5157	-0.4755
f.	FOREIGN INSTITUTIONAL INVESTORS	160564	0	160564	0.2319	0	0	0	0.0000	-0.2319
g.	FOREIGN VENTURE CAPITAL INVESTORS	0	0	0	0.0000	0	0	0	0.0000	0.0000
h.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
i.	ANY OTHER									
	Alternate Investment Funds	0	0	0	0.0000	29127	0	29127	0.0420	0.0420
	Foreign Portfolio Investor (Corporate) Category I	1996915	0	1996915	2.8852	1941788	0	1941788	2.8056	-0.0796
	Foreign Portfolio Investor (Corporate) Category II	5147107	0	5147107	7.4368	3343076	0	3343076	4.8302	-2.6065
	Foreign Portfolio Investor (Corporate) Category III	1194415	0	1194415	1.7257	754857	0	754857	1.0906	-0.6351
		<b>8338437</b>	<b>0</b>	<b>8338437</b>	<b>12.0479</b>	<b>6068848</b>	<b>0</b>	<b>6068848</b>	<b>8.7686</b>	<b>-3.2793</b>
	<b>SUB - TOTAL (B)(1)</b>	<b>24462880</b>	<b>1480360</b>	<b>25943240</b>	<b>37.4844</b>	<b>28237059</b>	<b>1472960</b>	<b>29710019</b>	<b>42.9269</b>	<b>5.4425</b>
<b>2.</b>	<b>NON-INSTITUTIONS</b>									
a.	BODIES CORPORATE	3256216	236918	3493134	5.0471	3788967	173380	3962347	5.7251	0.6780

Category code	Category of Shareholders	No. of shares held at the beginning of the year As on 1 <sup>st</sup> April, 2017				No. of shares held at the end of the year As on 31 <sup>st</sup> March, 2018				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b.	INDIVIDUALS -									
	I INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL UPTO ₹ 1 LAKH	6775656	437331	7212987	10.4217	6181157	346715	6527872	9.4318	-0.9898
	II INDIVIDUAL SHAREHOLDERS HOLDING NOMINAL SHARE CAPITAL IN EXCESS OF ₹ 1 LAKH	6501299	0	6501299	9.3935	3514360	0	3514360	5.0777	-4.3157
c.	QUALIFIED FOREIGN INVESTOR	0	0	0	0.0000	0	0	0	0.0000	0.0000
d.	ANY OTHER									
	CLEARING MEMBERS	221791	0	221791	0.3204	105732	0	105732	0.1527	-0.1676
	HINDU UNDIVIDED FAMILIES	615070	0	615070	0.8886	452322	0	452322	0.6535	-0.2351
	IEPF	0	0	0	0.0000	105596	0	105596	0.1525	0.1525
	NON RESIDENT INDIANS	722348	29400	751748	1.0861	334122	22000	356122	0.5145	-0.5716
	TRUSTS	26431	0	26431	0.0381	31330	0	31330	0.0452	0.0070
		<b>1585640</b>	<b>29400</b>	<b>1615040</b>	<b>2.3335</b>	<b>1029102</b>	<b>22000</b>	<b>1051102</b>	<b>1.5187</b>	<b>-0.8148</b>
	<b>SUB - TOTAL (B)(2)</b>	<b>18118811</b>	<b>703649</b>	<b>18822460</b>	<b>27.1959</b>	<b>14513586</b>	<b>542095</b>	<b>15055681</b>	<b>21.7434</b>	<b>-5.4425</b>
	<b>TOTAL PUBLIC SHAREHOLDING (B) = (B)(1)+(B)(2)</b>	<b>42581691</b>	<b>2184009</b>	<b>44765700</b>	<b>64.6804</b>	<b>42750645</b>	<b>2015055</b>	<b>44765700</b>	<b>64.6804</b>	<b>0.0000</b>
	<b>TOTAL (A)+(B)</b>	<b>67026591</b>	<b>2184009</b>	<b>69210600</b>	<b>100.0000</b>	<b>67195545</b>	<b>2015055</b>	<b>69210600</b>	<b>100.0000</b>	<b>0.0000</b>
C.	SHARES HELD BY CUSTODIANS AND AGAINST WHICH DEPOSITORY RECEIPTS HAVE BEEN ISSUED									
	Promoter and Promoter Group	0	0	0	0.0000	0	0	0	0.0000	0.0000
	Public	0	0	0	0.0000	0	0	0	0.0000	0.0000
	<b>TOTAL CUSTODIAN (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0000</b>	<b>0.0000</b>
	<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>67026591</b>	<b>2184009</b>	<b>69210600</b>	<b>100.0000</b>	<b>67195545</b>	<b>2015055</b>	<b>69210600</b>	<b>100.0000</b>	<b>0.0000</b>

**(ii) Shareholding of Promoters**

SI No.	Shareholder's Name	Shareholding at the beginning of the year As on 1 <sup>st</sup> April, 2017			Shareholding at the end of the year As on 31 <sup>st</sup> March, 2018			
		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 shareholding during the year
1.	Governor of Tamil Nadu	24444900	35.3196	0.00	24444900	35.3196	0.00	0.00

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

SI No.		Shareholding at the beginning of the year As on 1 <sup>st</sup> April, 2017		Shareholding at the end of the year As on 31 <sup>st</sup> March, 2018	
		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):

SI 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
<b>1</b>	<b>LIFE INSURANCE CORPORATION OF INDIA</b>				
	At the beginning of the year 01-Apr-2017	6305949	9.1112	6305949	9.1112
	At the end of the Year 31-Mar-2018	6305949	9.1112	6305949	9.1112
<b>2</b>	<b>GENERAL INSURANCE CORPORATION OF INDIA</b>				
	At the beginning of the year 01-Apr-2017	2110074	3.0487	2110074	3.0487
	At the end of the Year 31-Mar-2018	2110074	3.0487	2110074	3.0487
<b>3</b>	<b>SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MIDCAP</b>				
	At the beginning of the year 01-Apr-2017	1808919	2.6136	1808919	2.6136
	Sale 07-Apr-2017	-208973	0.3019	1599946	2.3117
	Sale 14-Apr-2017	-149240	0.2156	1450706	2.0960

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
	Sale 21-Apr-2017	-3313	0.0047	1447393	2.0912
	Sale 28-Apr-2017	-70000	0.1011	1377393	1.9901
	Sale 05-May-2017	-885929	1.2800	491464	0.7100
	Sale 12-May-2017	-491464	0.7100	0	0.0000
	At the end of the Year 31-Mar-2018	0	0.0000	0	0.0000
	HAVING SAME PAN				
3	<b>SUNDARAM MUTUAL FUND A/C SUNDARAM RURAL INDIA FUND</b>				
	At the beginning of the year 01-Apr-2017	48421	0.0699	48421	0.0699
	Sale 07-Apr-2017	-48421	0.0699	0	0.0000
	Purchase 15-Dec-2017	284472	0.4110	284472	0.4110
	Purchase 22-Dec-2017	198007	0.2860	482479	0.6971
	Purchase 09-Feb-2018	27963	0.0404	510442	0.7375
	At the end of the Year 31-Mar-2018	510442	0.7375	510442	0.7375
	HAVING SAME PAN				
3	<b>SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICROCAP SERIES VIII</b>				
	At the beginning of the year 01-Apr-2017	14841	0.0214	14841	0.0214
	Sale 07-Apr-2017	-14841	0.0214	0	0.0000
	At the end of the Year 31-Mar-2018	0	0.0000	0	0.0000
	HAVING SAME PAN				
3	<b>SUNDARAM MUTUAL FUND A/C SUNDARAM MONTHLY INCOME PLAN - AGGRESSIVE PLAN</b>				
	At the beginning of the year 01-Apr-2017	9258	0.0133	9258	0.0133
	Sale 07-Apr-2017	-9258	0.0133	0	0.0000
	At the end of the Year 31-Mar-2018	0	0.0000	0	0.0000
	HAVING SAME PAN				
3	<b>SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICROCAP SERIES IX</b>				
	At the beginning of the year 01-Apr-2017	7623	0.0110	7623	0.0110
	Sale 07-Apr-2017	-7623	0.0110	0	0.0000
	At the end of the Year 31-Mar-2018	0	0.0000	0	0.0000
	HAVING SAME PAN				
3	<b>SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICROCAP SERIES X</b>				
	At the beginning of the year 01-Apr-2017	4837	0.0069	4837	0.0069
	Sale 07-Apr-2017	-4837	0.0069	0	0.0000
	At the end of the Year 31-Mar-2018	0	0.0000	0	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
	HAVING SAME PAN				
3	<b>SUNDARAM MUTUAL FUND A/C SUNDARAM VALUE FUND SERIES - II</b>				
	At the beginning of the year 01-Apr-2017	3703	0.0053	3703	0.0053
	Sale 07-Apr-2017	-3703	0.0053	0	0.0000
	At the end of the Year 31-Mar-2018	0	0.0000	0	0.0000
	HAVING SAME PAN				
3	<b>SUNDARAM MUTUAL FUND A/C SUNDARAM VALUE FUND - SERIES IX</b>				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 15-Dec-2017	29902	0.0432	29902	0.0432
	Purchase 22-Dec-2017	19465	0.0281	49367	0.0713
	Purchase 16-Feb-2018	1475	0.0021	50842	0.0734
	At the end of the Year 31-Mar-2018	50842	0.0734	50842	0.0734
	HAVING SAME PAN				
3	<b>SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICRO CAP SERIES - XVI</b>				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 15-Dec-2017	28013	0.0404	28013	0.0404
	Purchase 22-Dec-2017	18076	0.0261	46089	0.0665
	Purchase 29-Dec-2017	2151	0.0031	48240	0.0697
	At the end of the Year 31-Mar-2018	48240	0.0697	48240	0.0697
	HAVING SAME PAN				
3	<b>SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICRO CAP - SERIES - XVII</b>				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 15-Dec-2017	23873	0.0344	23873	0.0344
	Purchase 22-Dec-2017	15535	0.0224	39408	0.0569
	Purchase 29-Dec-2017	1212	0.0017	40620	0.0586
	At the end of the Year 31-Mar-2018	40620	0.0586	40620	0.0586
	HAVING SAME PAN				
3	<b>SUNDARAM MUTUAL FUND A/C SUNDARAM VALUE FUND - SERIES X</b>				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 15-Dec-2017	17146	0.0247	17146	0.0247
	Purchase 22-Dec-2017	11246	0.0162	28392	0.0410
	Purchase 16-Feb-2018	523	0.0007	28915	0.0417

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
	At the end of the Year 31-Mar-2018	28915	0.0417	28915	0.0417
	HAVING SAME PAN				
<b>3</b>	<b>SUNDARAM MUTUAL FUND A/C SUNDARAM LONG TERM MICRO CAP TAX ADVANTAGE FUND - SERIES - VI</b>				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 15-Dec-2017	15536	0.0224	15536	0.0224
	Purchase 22-Dec-2017	10120	0.0146	25656	0.0370
	Purchase 29-Dec-2017	789	0.0011	26445	0.0382
	At the end of the Year 31-Mar-2018	26445	0.0382	26445	0.0382
<b>4</b>	<b>GOVERNMENT PENSION FUND GLOBAL</b>				
	At the beginning of the year 01-Apr-2017	1770000	2.5574	1770000	2.5574
	Sale 15-Dec-2017	-15000	0.0216	1755000	2.5357
	Sale 12-Jan-2018	-15000	0.0216	1740000	2.5140
	Sale 19-Jan-2018	-30000	0.0433	1710000	2.4707
	At the end of the Year 31-Mar-2018	1710000	2.4707	1710000	2.4707
<b>5</b>	<b>HDFC TRUSTEE COMPANY LIMITED A/C HDFC BALANCED FUND</b>				
	At the beginning of the year 01-Apr-2017	1498000	2.1644	1498000	2.1644
	Purchase 07-Jul-2017	300000	0.4334	1798000	2.5978
	Purchase 14-Jul-2017	250000	0.3612	2048000	2.9590
	Purchase 21-Jul-2017	116000	0.1676	2164000	3.1266
	Purchase 28-Jul-2017	132200	0.1910	2296200	3.3176
	Purchase 04-Aug-2017	135000	0.1950	2431200	3.5127
	Purchase 11-Aug-2017	63300	0.0914	2494500	3.6042
	Purchase 18-Aug-2017	343100	0.4957	2837600	4.0999
	Purchase 25-Aug-2017	16000	0.0231	2853600	4.1230
	Purchase 01-Sep-2017	16500	0.0238	2870100	4.1469
	Purchase 08-Sep-2017	147000	0.2123	3017100	4.3593
	Purchase 12-Sep-2017	249000	0.3597	3266100	4.7190
	Purchase 15-Sep-2017	45000	0.0650	3311100	4.7840
	Purchase 22-Sep-2017	134300	0.1940	3445400	4.9781
	Purchase 29-Sep-2017	269000	0.3886	3714400	5.3668
	At the end of the Year 31-Mar-2018	3714400	5.3668	3714400	5.3668
	HAVING SAME PAN				
<b>5</b>	<b>HDFC TRUSTEE CO LTD A/C HDFC RETIREMENT SAVINGS FUND-EQUITY PLAN</b>				
	At the beginning of the year 01-Apr-2017	100000	0.1444	100000	0.1444
	Purchase 25-Aug-2017	10000	0.0144	110000	0.1589

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
	Purchase 15-Sep-2017	30000	0.0433	140000	0.2022
	At the end of the Year 31-Mar-2018	140000	0.2022	140000	0.2022
	HAVING SAME PAN				
5	<b>HDFC TRUSTEE CO LTD A/C HDFC RETIREMENT SAVINGS FUND-HYBRID-EQUITY PLAN</b>				
	At the beginning of the year 01-Apr-2017	38000	0.0549	38000	0.0549
	At the end of the Year 31-Mar-2018	38000	0.0549	38000	0.0549
	HAVING SAME PAN				
5	<b>HDFC TRUSTEE CO LTD- HDFC MULTIPLE YIELD FUND- PLAN 2005</b>				
	At the beginning of the year 01-Apr-2017	25000	0.0361	25000	0.0361
	At the end of the Year 31-Mar-2018	25000	0.0361	25000	0.0361
	HAVING SAME PAN				
5	<b>HDFC TRUSTEE CO LTD A/C HDFC RETIREMENT SAVINGS FUND-HYBRID-DEBT PLAN</b>				
	At the beginning of the year 01-Apr-2017	5000	0.0072	5000	0.0072
	At the end of the Year 31-Mar-2018	5000	0.0072	5000	0.0072
	HAVING SAME PAN				
5	<b>HDFC TRUSTEE COMPANY LTD- HDFC EQUITY SAVING FUND</b>				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 04-Aug-2017	185000	0.2673	185000	0.2673
	At the end of the Year 31-Mar-2018	185000	0.2673	185000	0.2673
	HAVING SAME PAN				
5	<b>HDFC TRUSTEE COMPANY LTD - HDFC PREMIER MULTI- CAP FUND</b>				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 19-May-2017	36500	0.0527	36500	0.0527
	Purchase 28-Jul-2017	13000	0.0187	49500	0.0715
	Purchase 13-Oct-2017	23000	0.0332	72500	0.1047
	At the end of the Year 31-Mar-2018	72500	0.1047	72500	0.1047
6	<b>WARBURG VALUE FUND</b>				
	At the beginning of the year 01-Apr-2017	1300000	1.8783	1300000	1.8783
	At the end of the Year 31-Mar-2018	1300000	1.8783	1300000	1.8783
7	<b>L AND T MUTUAL FUND TRUSTEE LTD- L AND T INDIA VALUE FUND</b>				
	At the beginning of the year 01-Apr-2017	875160	1.2644	875160	1.2644
	Sale 21-Apr-2017	-74309	0.1073	800851	1.1571
	Sale 28-Apr-2017	-92765	0.1340	708086	1.0230

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
	Sale 05-May-2017	-50233	0.0725	657853	0.9505
	Sale 12-May-2017	-30532	0.0441	627321	0.9063
	Sale 07-Jul-2017	-300000	0.4334	327321	0.4729
	Sale 14-Jul-2017	-327321	0.4729	0	0.0000
	At the end of the Year 31-Mar-2018	0	0.0000	0	0.0000
	HAVING SAME PAN				
<b>7</b>	<b>L AND T MUTUAL FUND TRUSTEE LTD- L AND T EQUITY SAVINGS FUND</b>				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 12-Jan-2018	15500	0.0223	15500	0.0223
	Purchase 09-Feb-2018	7200	0.0104	22700	0.0327
	At the end of the Year 31-Mar-2018	22700	0.0327	22700	0.0327
<b>8</b>	<b>UNITED INDIA INSURANCE COMPANY LIMITED</b>				
	At the beginning of the year 01-Apr-2017	773213	1.1171	773213	1.1171
	Purchase 07-Apr-2017	30000	0.0433	803213	1.1605
	Purchase 14-Apr-2017	112827	0.1630	916040	1.3235
	Purchase 21-Apr-2017	130000	0.1878	1046040	1.5113
	Purchase 28-Apr-2017	50000	0.0722	1096040	1.5836
	Purchase 05-May-2017	30000	0.0433	1126040	1.6269
	Purchase 12-May-2017	170000	0.2456	1296040	1.8726
	Purchase 19-May-2017	20325	0.0293	1316365	1.9019
	Purchase 26-May-2017	10603	0.0153	1326968	1.9172
	Purchase 02-Jun-2017	47434	0.0685	1374402	1.9858
	Purchase 09-Jun-2017	73373	0.1060	1447775	2.0918
	Purchase 16-Jun-2017	97213	0.1404	1544988	2.2322
	Purchase 23-Jun-2017	20612	0.0297	1565600	2.2620
	Purchase 30-Jun-2017	40000	0.0577	1605600	2.3198
	Purchase 07-Jul-2017	43924	0.0634	1649524	2.3833
	Purchase 14-Jul-2017	20532	0.0296	1670056	2.4130
	Sale 04-Aug-2017	-69595	0.1005	1600461	2.3124
	Sale 11-Aug-2017	-74087	0.1070	1526374	2.2054
	Sale 10-Nov-2017	-69747	0.1007	1456627	2.1046
	Sale 01-Dec-2017	-90056	0.1301	1366571	1.9745
	Sale 08-Dec-2017	-222701	0.3217	1143870	1.6527
	Sale 15-Dec-2017	-301522	0.4356	842348	1.2170
	Sale 22-Dec-2017	-261515	0.3778	580833	0.8392
	Sale 29-Dec-2017	-117143	0.1692	463690	0.6699
	Sale 05-Jan-2018	-19629	0.0283	444061	0.6416
	At the end of the Year 31-Mar-2018	444061	0.6416	444061	0.6416



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
<b>9</b>	<b>ANIL KUMAR GOEL</b>				
	At the beginning of the year 01-Apr-2017	750000	1.0836	750000	1.0836
	Sale 07-Apr-2017	-10000	0.0144	740000	1.0692
	Sale 14-Apr-2017	-30000	0.0433	710000	1.0258
	Sale 21-Apr-2017	-11356	0.0164	698644	1.0094
	Sale 05-May-2017	-9644	0.0139	689000	0.9955
	Sale 12-May-2017	-319000	0.4609	370000	0.5346
	Sale 19-May-2017	-20000	0.0288	350000	0.5057
	Sale 23-Jun-2017	-341871	0.4939	8129	0.0117
	Sale 14-Jul-2017	-8129	0.0117	0	0.0000
	At the end of the Year 31-Mar-2018	0	0.0000	0	0.0000
	HAVING SAME PAN				
<b>9</b>	<b>ANIL KUMAR GOEL</b>				
	At the beginning of the year 01-Apr-2017	150000	0.2167	150000	0.2167
	Sale 14-Jul-2017	-150000	0.2167	0	0.0000
	At the end of the Year 31-Mar-2018	0	0.0000	0	0.0000
<b>10</b>	<b>LAKSHMI CAPITAL INVESTMENTS LIMITED</b>				
	At the beginning of the year 01-Apr-2017	628457	0.9080	628457	0.9080
	Sale 14-Apr-2017	-10000	0.0144	618457	0.8935
	Sale 21-Apr-2017	-10000	0.0144	608457	0.8791
	Sale 28-Apr-2017	-37000	0.0534	571457	0.8256
	Sale 05-May-2017	-30000	0.0433	541457	0.7823
	Sale 12-May-2017	-30000	0.0433	511457	0.7389
	Sale 19-May-2017	-21000	0.0303	490457	0.7086
	Purchase 16-Jun-2017	80000	0.1155	570457	0.8242
	Purchase 23-Jun-2017	25000	0.0361	595457	0.8603
	Purchase 23-Feb-2018	10000	0.0144	605457	0.8748
	Purchase 23-Mar-2018	15000	0.0216	620457	0.8964
	At the end of the Year 31-Mar-2018	620457	0.8964	620457	0.8964
	NEW TOP 10 AS ON (31-Mar-2018)				
<b>11</b>	<b>ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE PURE VALUE FUND</b>				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 24-Nov-2017	66200	0.0956	66200	0.0956
	Purchase 01-Dec-2017	193934	0.2802	260134	0.3758
	Purchase 08-Dec-2017	294400	0.4253	554534	0.8012
	Purchase 15-Dec-2017	305000	0.4406	859534	1.2419
	Purchase 22-Dec-2017	168000	0.2427	1027534	1.4846
	Purchase 29-Dec-2017	127320	0.1839	1154854	1.6686
	Purchase 12-Jan-2018	41000	0.0592	1195854	1.7278

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
	Purchase 02-Feb-2018	17000	0.0245	1212854	1.7524
	Purchase 09-Feb-2018	8200	0.0118	1221054	1.7642
	Purchase 16-Feb-2018	34000	0.0491	1255054	1.8133
	Purchase 02-Mar-2018	300000	0.4334	1555054	2.2468
	Purchase 16-Mar-2018	14000	0.0202	1569054	2.2670
	At the end of the Year 31-Mar-2018	1569054	2.2670	1569054	2.2670
	HAVING SAME PAN				
11	<b>ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE BALANCED ADVANTAGE FUND</b>				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 04-Aug-2017	290000	0.4190	290000	0.4190
	Purchase 11-Aug-2017	50000	0.0722	340000	0.4912
	Purchase 18-Aug-2017	47482	0.0686	387482	0.5598
	Purchase 25-Aug-2017	47000	0.0679	434482	0.6277
	Purchase 22-Dec-2017	100000	0.1444	534482	0.7722
	Purchase 29-Dec-2017	37000	0.0534	571482	0.8257
	Purchase 05-Jan-2018	193901	0.2801	765383	1.1058
	At the end of the Year 31-Mar-2018	765383	1.1058	765383	1.1058
	HAVING SAME PAN				
11	<b>ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE DIVIDEND YIELD PLUS</b>				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 19-May-2017	467000	0.6747	467000	0.6747
	Purchase 26-May-2017	54000	0.0780	521000	0.7527
	Purchase 09-Jun-2017	64000	0.0924	585000	0.8452
	At the end of the Year 31-Mar-2018	585000	0.8452	585000	0.8452
	HAVING SAME PAN				
11	<b>ADITYA BIRLA SUN LIFE TRUSTEE PRIVATE LIMITED A/C ADITYA BIRLA SUN LIFE RESURGENT INDIA FUND - SERIES 6</b>				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 23-Mar-2018	257974	0.3727	257974	0.3727
	Purchase 30-Mar-2018	42026	0.0607	300000	0.4334
	At the end of the Year 31-Mar-2018	300000	0.4334	300000	0.4334
12	<b>SBI SMALL AND MIDCAP FUND</b>				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 15-Sep-2017	57611	0.0832	57611	0.0832
	Purchase 22-Sep-2017	342389	0.4947	400000	0.5779
	Purchase 29-Sep-2017	391614	0.5658	791614	1.1437

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
	Purchase 24-Nov-2017	169090	0.2443	960704	1.3880
	Purchase 01-Dec-2017	21357	0.0308	982061	1.4189
	Purchase 15-Dec-2017	17939	0.0259	1000000	1.4448
	Sale 25-Jan-2018	-29248	0.0422	970752	1.4026
	Sale 16-Feb-2018	-48552	0.0701	922200	1.3324
	At the end of the Year 31-Mar-2018	922200	1.3324	922200	1.3324
	HAVING SAME PAN				
<b>12</b>	<b>SBI LONG TERM ADVANTAGE FUND-SERIES IV</b>				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 15-Dec-2017	130000	0.1878	130000	0.1878
	At the end of the Year 31-Mar-2018	130000	0.1878	130000	0.1878
	HAVING SAME PAN				
<b>12</b>	<b>SBI LONG TERM ADVANTAGE FUND – SERIES III</b>				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 06-Oct-2017	40000	0.0577	40000	0.0577
	Purchase 24-Nov-2017	7877	0.0113	47877	0.0691
	Purchase 01-Dec-2017	12067	0.0174	59944	0.0866
	At the end of the Year 31-Mar-2018	59944	0.0866	59944	0.0866
	HAVING SAME PAN				
<b>12</b>	<b>SBI LONG TERM ADVANTAGE FUND SERIES I</b>				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 06-Oct-2017	35000	0.0505	35000	0.0505
	Purchase 12-Jan-2018	8000	0.0115	43000	0.0621
	At the end of the Year 31-Mar-2018	43000	0.0621	43000	0.0621
	HAVING SAME PAN				
<b>12</b>	<b>SBI LONG TERM ADVANTAGE FUND SERIES II</b>				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 12-Jan-2018	37000	0.0534	37000	0.0534
	At the end of the Year 31-Mar-2018	37000	0.0534	37000	0.0534
	HAVING SAME PAN				
<b>12</b>	<b>SBI TAX ADVANTAGE FUND SERIES II</b>				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 06-Oct-2017	19000	0.0274	19000	0.0274
	Purchase 09-Mar-2018	8000	0.0115	27000	0.0390
	At the end of the Year 31-Mar-2018	27000	0.0390	27000	0.0390
<b>13</b>	<b>ICICI LOMBARD GENERAL INSURANCE COMPANY LTD</b>				
	At the beginning of the year 01-Apr-2017	0	0.0000	0	0.0000
	Purchase 05-May-2017	810000	1.1703	810000	1.1703
	At the end of the Year 31-Mar-2018	810000	1.1703	810000	1.1703

**(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, 2017)		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 Vikram Kapur IAS <sup>1</sup> Chairman & Managing Director At the beginning of the year Date wise Increase/Decrease At the end of the year	- -	- -	-	-
2.	Thiru Atulya Misra IAS <sup>2</sup> Chairman At the beginning of the year Date wise Increase/Decrease At the end of the year	- -	- -	-	-
3.	Thiru K Gnanadesikan IAS <sup>3</sup> Chairman At the beginning of the year Date wise Increase/Decrease At the end of the year	- -	- -	-	-
4.	Dr. R Selvaraj, IAS <sup>4</sup> Managing Director At the beginning of the year Date wise Increase/Decrease At the end of the year	- -	- -	-	-
5.	Thiru S Sivashanmugaraja IAS <sup>5</sup> Managing Director At the beginning of the year Date wise Increase/Decrease At the end of the year	- -	- -	-	-
6.	Thiru A Velliangiri <sup>6</sup> Deputy Managing Director At the beginning of the year Date wise Increase/Decrease At the end of the year	- -	- -	-	-
7.	Thiru K Shanmugam IAS Director At the beginning of the year Date wise Increase/Decrease At the end of the year	- -	- -	-	-
8.	Thiru Mahesan Kasirajan IAS <sup>7</sup> Director At the beginning of the year Date wise Increase/Decrease At the end of the year	- -	- -	-	-
9.	Thiru N Kumaravelu <sup>8</sup> Director At the beginning of the year Date wise Increase/Decrease At the end of the year	- -	- -	-	-
10.	Tmt. Anu George, IAS <sup>9</sup> Director At the beginning of the year Date wise Increase/Decrease At the end of the year	- -	- -	-	-



Sl. No.	Name of the Directors and KMP	Shareholding at the beginning of the year (As on 1 <sup>st</sup> April,2017)		Cumulative shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
11.	Thiru V Narayanan Director At the beginning of the year Date wise Increase/Decrease At the end of the year	- -	- -	-	-
12.	Thiru M R Kumar <sup>10</sup> Director At the beginning of the year Date wise Increase/Decrease At the end of the year	- -	- -	-	-
13.	Thiru V Nagappan Director At the beginning of the year Date wise Increase/Decrease At the end of the year	- -	- -	-	-
14.	Thiru N Narayanan, IAS (Retd.) Director At the beginning of the year Date wise Increase/Decrease At the end of the year	- -	- -	-	-
15.	Tmt. Sarada Jagan <sup>11</sup> Director At the beginning of the year Date wise Increase/Decrease At the end of the year	- -	- -	-	-
16.	Tmt. Soundara Kumar <sup>12</sup> Director At the beginning of the year Date wise Increase/Decrease At the end of the year	- -	- -	-	-
17.	Thiru V Chandrasekaran <sup>13</sup> Director At the beginning of the year Date wise Increase/Decrease At the end of the year	- -	- -	-	-
18.	Thiru V.Sivakumar Company Secretary At the beginning of the year Date wise Increase/Decrease At the end of the year	10 -	0.00 -	10	0.00

<sup>1</sup> Thiru Vikram Kapur, IAS ceased to be a Director w.e.f. 20.04.2017

<sup>2</sup> Thiru Atulya Misra IAS was appointed as Additional Director and designated as Chairman w.e.f. 20.04.2017 and ceased w.e.f. 31.01.2018

<sup>3</sup> Thiru K Gnanadesikan IAS was appointed as Additional Director and designated as Chairman w.e.f. 31.01.2018

<sup>4</sup> Dr. R Selvaraj, IAS was appointed as Additional Director and designated as Managing Director w.e.f. 20.04.2017 and ceased w.e.f. 29.11.2017

<sup>5</sup> Thiru S Sivashanmugaraja IAS was appointed as Additional Director and designated as Managing Director w.e.f. 29.11.2017

<sup>6</sup> Thiru A Velliangiri ceased to be a Director w.e.f. 29.03.2018

<sup>7</sup> Thiru Mahesan Kasirajan IAS ceased to be a Director w.e.f. 07.09.2017

<sup>8</sup> Thiru N Kumaravelu ceased to be a Director w.e.f. 19.04.2017

<sup>9</sup> Tmt. Anu George, IAS was appointed as Director w.e.f. 19.09.2017

<sup>10</sup> Thiru M R Kumar ceased to be a Director w.e.f. 05.10.2017

<sup>11</sup> Tmt.Sarada Jagan ceased to be a Director w.e.f. 01.04.2017

<sup>12</sup> Tmt.Soundara Kumar was appointed as Director w.e.f. 30.06.2017

<sup>13</sup> Thiru V Chandrasekaran was appointed as Director w.e.f. 13.11.2017

**V. INDEBTEDNESS**

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

(₹ in Lakh)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount				
- Other than Debentures	208,083.69	-	-	208,083.69
- Debentures	-	-	-	-
ii) Interest accrued but not paid				
- Other than Debentures	-	-	-	-
- Debentures	-	-	-	-
iii) Interest accrued but not due				
- Other than Debentures	1,152.16	-		1,152.16
- Debentures	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>209,235.85</b>	<b>-</b>		<b>209,235.85</b>
<b>Change in Indebtedness during the financial year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
i) Addition				
- Other than Debentures	27,500	-		27,500
- Debentures	-	-		-
ii) Reduction*				
- Other than Debentures	(43,881.93)	-		(43,881.93)
- Debentures	-	-	-	-
iii) Interest Accrued but not paid				
- Other than Debentures	-	-	-	-
- Debentures	-	-	-	-
iv) Interest accrued but not due				
- Other than Debentures	(417.50)	-		(417.50)
- Debentures				
<b>Net Change</b>	<b>(16,799.43)</b>	<b>-</b>	<b>-</b>	<b>(16,799.43)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount				
- Other than Debentures	191,701.76			191,701.76
- Debentures	-	-	-	-
ii) Interest Accrued but not paid				
- Other than Debentures	-	-	-	-
- Debentures	-	-	-	-
iii) Interest accrued but not due				
- Other than Debentures	734.65			734.65
- Debentures	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>192,436.41</b>			<b>192,436.41</b>

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

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

(₹ in Lakh)

S. No	Particulars of Remuneration	Thiru. Vikram Kapur, IAS Chairman and Managing Director <sup>@</sup>	Dr. R Selvaraj, IAS Managing Director <sup>#</sup>	Thiru S Sivashan-mugaraja, IAS Managing Director <sup>\$</sup>	Thiru A. Velliangiri Deputy Managing Director <sup>*</sup>	Total
1	<b>Gross salary</b> (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.75	12.19	7.58	46.62**	67.14
	(b) Value of perquisites under section 17(2) Income-tax Act, 1961	-	-	-	-	-
	(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, Pension, Leave Salary contribution, Provident fund, Reimbursement of medical expenses, tuition fees.	-	3.23	1.86	3.17	8.26
	<b>Total (A)</b>	<b>0.75</b>	<b>15.42</b>	<b>9.44</b>	<b>49.79</b>	<b>75.40</b>
	Ceiling as per the Act (10% of Net Profit)***					N.A.

@ Thiru Vikram Kapur, IAS ceased to be a Director with effect from 20.4.2017

# Dr. R Selvaraj, IAS was appointed as Additional Director and designated as Managing Director w.e.f. 20.04.2017 and ceased w.e.f. 29.11.2017

\$ Thiru S Sivashanmugaraja IAS was appointed as Additional Director and designated as Managing Director w.e.f. 29.11.2017

\* Thiru A Velliangiri ceased to be a Director w.e.f. 29.03.2018

\*\* It includes leave encashment of ₹ 10.95 Lakh paid for the entire duration of contractual engagement at the time of cessation.

\*\*\*Since, the company is having loss during the year 2017-18 the ceiling of 10% of net profit is not applicable. The remuneration is paid as per the Schedule V of the Companies Act, 2013 which is well within the limits prescribed in the Schedule.

**B. REMUNERATION TO OTHER DIRECTORS**

(₹ in Lakh)

Sl. no	Particulars of Remuneration	Name of Directors						Total Amount
1.	Independent Directors	Thiru V Narayanan	Thiru N. Narayanan (IAS (Retd.))	Thiru M R Kumar*	Thiru V Nagappan	Tmt. Soundara Kumar**	Thiru V. Chandra-sekaran***	
	Fee for attending board/committee meetings	5.00	4.75	0.00	4.50	3.75	2.75	20.75
	Commission	-	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-	-
<b>Total (1)</b>								<b>20.75</b>

\* ceased to be a Director w.e.f. 05.10.2017

\*\* appointed as Director w.e.f. 30.06.2017

\*\*\* appointed as Director w.e.f. 13.11.2017

Sl. no	Particulars of Remuneration	Name of Directors					Total Amount
2.	Other Non-Executive Directors	Thiru Atulya Misra, IAS <sup>@</sup>	Thiru K Gnanadesikan, IAS <sup>#</sup>	Thiru K Shanmugam IAS	Thiru Mahesan Kasirajan, IAS <sup>\$</sup>	Tmt Anu George, IAS <sup>*</sup>	
	Fee for attending board/committee meetings	1.25	0.50	0.50	0.50	0.75	3.50
	Commission	-	-	-	-	-	-
	Others, please specify	-	-	-	-	-	-
<b>Total (2)</b>							<b>3.50</b>
<b>Total(B)=(1+2)</b>							<b>24.25</b>
<b>Total Managerial Remuneration (A)+(B)</b>							<b>99.65</b>
<b>Overall Ceiling as per the Act (11% of Net Profit)</b>							<b>N.A.**</b>

@ appointed as Additional Director and designated as Chairman w.e.f. 20.04.2017 and ceased w.e.f. 31.01.2018

# appointed as Additional Director and designated as Chairman w.e.f. 31.01.2018

\$ ceased to be a Director w.e.f. 07.09.2017

\* appointed as Director w.e.f. 19.09.2017

\*\* Since, the company is having loss during the year 2017-18 the ceiling of 11% and 10% of net profit is not applicable. The remuneration is paid as per the Schedule V of the Companies Act, 2013 which is well within the limits prescribed in the Schedule.

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD / MANAGER / WTD** (₹ in Lakh)

Sl. no	Particulars of Remuneration	Key Managerial Personnel	Total
		<b>Thiru V. Sivakumar Company Secretary</b>	
1	Gross Salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	17.18	17.18
	(b) Value of perquisites under section 17(2) Income-tax Act, 1961	1.49	1.49
	(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—Provident Fund & Superannuation	3.08	3.08
	<b>Total</b>	<b>21.75</b>	<b>21.75</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 – VI

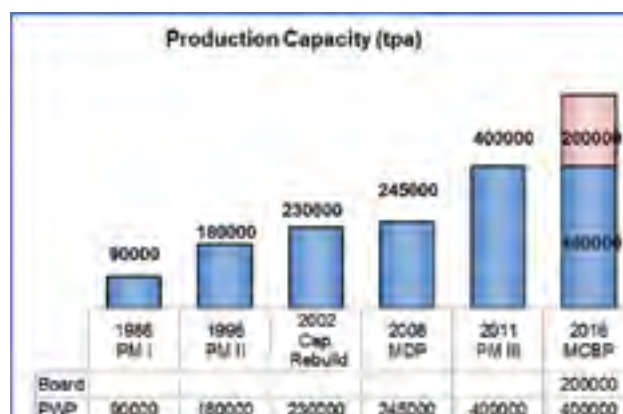
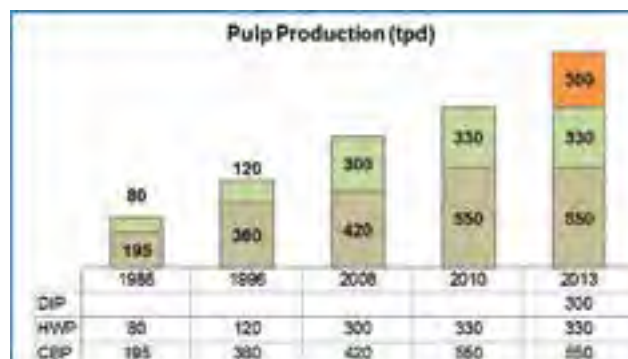
### MANAGEMENT DISCUSSION AND ANALYSIS

#### 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 plant located at Kagithapuram in Karur District was commissioned during 1984 with an initial capacity of 90,000 tonnes per annum. The company has enhanced the capacity to 4,00,000 tonnes per annum in four phases. During 2016 the company has set up a state-of-the-art Multilayer Double Coated Board Plant with an annual capacity of 200,000 MT per annum in Mondipatti village, Manaparai taluk, Trichy District and enhanced the total capacity to 6,00,000 tonnes per annum. With this the Company has emerged as the third largest player in the Indian Paper Industry. The pulping capacity has been increased from 300 tonnes per day (tpd) in 1984 to 1,180 tonnes per day as of date.

**TNPL has the following production facilities**

Particulars	UOM	As of date
Paper Production	tpa	400000
Board Production	tpa	200000
Pulp Production - CBP	tpd	550
- HWP	"	330
- DIP	"	300
Total	"	1180
Cement Plant	tpd	900
Captive Power Plant	MW	138.62
Wind Farm	MW	35.5



#### II. INDUSTRY SCENARIO

Broadly, the industry is classified into four main segments- namely, writing and printing papers, Industrial packaging paper, specialty paper and newsprint. India holds 15<sup>th</sup> rank among paper producing countries in the world with a total installed capacity of 16 million tonnes. The demand is estimated at 14 million tonnes. The per capita consumption is around 13 kgs against the Asian average of 26 kgs and World average of 58 kgs. India is considered as the fastest growing market for paper in the world with an average annual growth of 6%. The domestic consumption is expected to rise to 25 million tonnes by 2019-20.

Indian Paper Industry is highly fragmented with over 750 paper mills of varying sizes spread across the Country. Only 50 mills are of a capacity of 50000 tpa or more. The overall capacity utilization is estimated at 80-90%.

#### III. STRATEGY

The following are the important elements of TNPL's corporate strategy which enables the company to perform well consistently:

1. Continuous and sustainable growth
2. Better cost management
3. Financial management
4. Customer orientation
5. Innovation
6. Pursuit of excellence in Management of Human Resources

##### 1. Continuous and Sustainable Growth:

TNPL has grown from an initial capacity of 90,000 TPA in 1984 to 6,00,000 TPA in 2016 in tandem with the Industry growth. Currently, TNPL enjoys the third 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, 1,55,000 TPA respectively and one board machine with a capacity

of 2,00,000 TPA. The growth is supported by the latest technology and state-of-the-art equipments. Economies of scale and quality production driven by technology provide competitive edge to the Company in the market.

## 2. Better Cost Management

Costs saving measures are undertaken as a continuous exercise in TNPL to keep the cost of production low. TNPL has benchmarked the entire operations and monitor the actuals with reference to the targets set. The concerted actions on process improvement, productivity enhancement, cost reduction measures and self-sufficiency in major inputs-pulp, power and filler materials have enabled the company to be the least – cost producer of paper in the country.

## 3. Financial Management

TNPL has implemented a sound Forex Risk Policy. The expansion schemes are funded through an appropriate mix of internal generation and borrowed funds. High cost loans are replaced with lower cost loans on regular basis. Continuous monitoring and readjusting of loan portfolio have enabled the company to keep the cost of borrowing at the minimum level. The average cost of loans outstanding as on 31.3.2018 is 8.30% (31.03.2017: 8.78%).

## 4. Customer Orientation

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 has exported 80,822 mts of PWP to 25 countries during the year 2017-18.

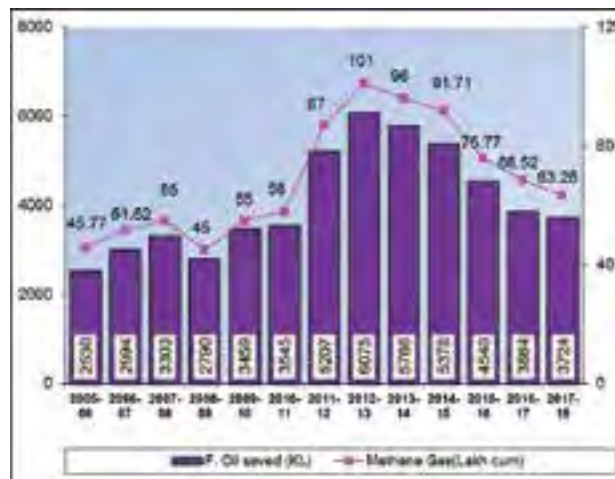
Customer complaints are given utmost priority for redressal. Consistency in quality, transparency in pricing and prompt delivery, has made TNPL a household name amongst domestic and export customers.

## 5. Innovation:

TNPL is built on the concept that environment should be protected for the benefit of present and future generations. TNPL has perfected the technology of manufacturing, printing and writing paper from bagasse, an agricultural residue. This is an outstanding innovation.

TNPL has set up a 900 tpd Capacity Cement plant for producing high grade cement from inorganic solid wastes-lime sludge and fly ash. TNPL is the first and only paper mill in the country to have set up a cement plant within the factory premises to produce cement from mill wastes.

Two bio-methanation plants consisting of four numbers of UASB reactors set up within the factory premises have generated cumulatively 63.26 lakh m<sup>3</sup> of methane gas during 2017 - 2018. The methane gas is consumed in lime kilns in replacement of furnace oil and power boilers in replacement of coal. With this, TNPL has saved usage of 3724 kl of high cost furnace oil and 319 MT of imported coal during the year.



TNPL has established a separate bio-technology and bio-energy Research Centre for producing tissue culture seedlings.

## 6. Pursuit of excellence in 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 deputed to management programmes conducted by leading Management Institutes.

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

## IV. THE SUCCESS DRIVERS

### Environment Management

TNPL treats environment improvement as a priority area. Continuous studies are undertaken to reduce the water consumption with improvement in the quality of effluent. Compliance to pollution control norms and CREP regulations are strictly adhered to. The mill has implemented several water conservation measures and reduced water consumption to 27 KL per ton of paper during 2017-18 which is one of the lowest in paper industry.

### Raw material Management: Bagasse

TNPL uses about 1 million tonnes of bagasse as a primary raw material. The bagasse is being sourced from sugar mills

by entering into long term agreement to procure bagasse on barter system by fuel-exchange/steam-exchange basis. The availability of bagasse during 2017-18 has reduced to only 35% of the total requirement from the tied-up sugar mills due to severe water crisis and continuous drought in the state.

In order to meet the shortfall TNPL procured about 65% of the bagasse from the open market purchases and temporary tie-up arrangements with sugar mills located in Tamil Nadu, Andhra Pradesh and Karnataka.

#### Raw material management: Pulpwood

To improve the pulpwood availability TNPL has developed two plantation schemes viz. Farm Forestry and Captive plantation during 2004-05. The plantation was developed in the vacant and degraded lands belonging to farmers and Government departments.

During 2017-18, pulpwood plantation has been established in an extent of about 3364.56 acres belonging to 892 farmers under Farm Forestry Scheme in which, Casuarina (26%) and Eucalyptus (74%) are major pulpwood species planted. The species wise extent covered with Number of FMU is provided in the chart below. TNPL has raised plantations in 1,24,080 acres of land involving 24,179 farmers since the introduction of the plantation schemes in 2004-05.

#### Area developed under Farm Forestry Plantation during 2017-18

The efforts put in by TNPL for raising pulpwood plantation started yielding benefits from 2009-10. During 2017-18 TNPL has procured 30,196 MT of pulpwood from the plantation sources and about 10.00 lakh MT of pulpwood have been procured from the plantation sources in last 8 years.

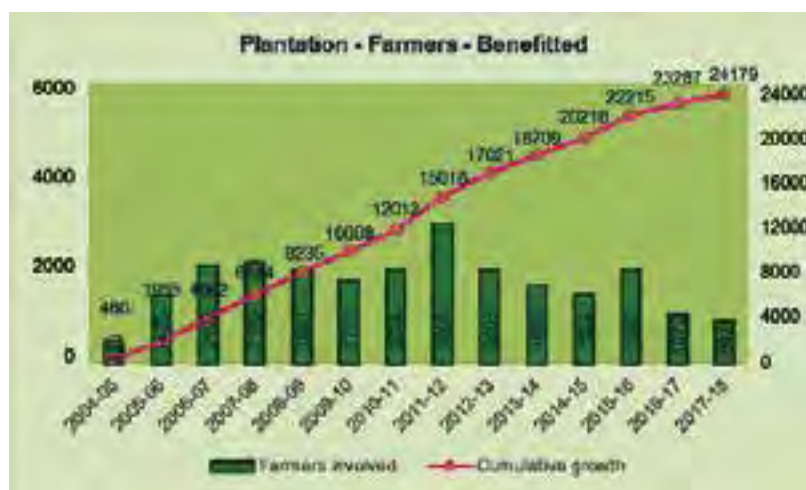
In order to produce and supply high yield seedlings and clones to farmers at subsidized rate, TNPL has established a world class Clonal Propagation & Research Centre (CPRC)

within the factory area. From this centre, TNPL has produced 92.00 lakh plants and supplied 64.42 lakh plants to the farmers at subsidized rates during 2017-18 in an extent of 3364.56 acres and an amount of ₹ 132.02 lakhs were realized through sales. In total about 102.7 million plants were produced and 95.8 million plants were supplied till 2017-18 from TNPL Clonal Propagation and Research Centre.

The pulpwood plantations raised during 2017-18, were distributed in 27 districts of Tamil Nadu and Pondicherry, in which 6 districts cover the 70% of the total extent. The extent details, plants sold and number of Farm Management Units (FMU) in the major districts are tabulated below.

#### Extent details of pulpwood plantation covered in major districts.

District	Extent (acres)	Number of Plants sold (in lakhs)	No. of FMU	% of extent covered
Pudukkottai	938.34	15.4	213	28
Ariyalur	358.93	5.12	128	11
Sivagangai	332.98	4.16	60	10
Tiruchirapalli	305.57	4.92	60	9
Erode	220.09	2.72	78	7
Namakkal	204.29	3.17	103	6
Other 21 Districts	1004.36	28.93	250	30
<b>Grand Total</b>	<b>3364.56</b>	<b>64.42</b>	<b>892</b>	



About 30,000 MT of pulpwood procured from the plantation raised under TNPL Plantation scheme in which, 24,224 MT from Farm Forestry Plantations and 5914 MT from Captive Plantations. The districts from where the major quantity of pulpwood sourced are Ariyalur (50%), Pudukkottai (30%) and remaining 20% from Karur, Namakkal, Cuddalore, Kanchipuram, Sivagangai, Tiruchurapalli, and Tirunelveli districts.

#### Achievements of Plantation Schemes and Production from Clonal Propagation & Research centre

Description	Extent of pulpwood plantation (acres)	No.of. FMU	Production (No. of. plants in lakh)	Sales (No.of. Plants in lakh)	Pulpwood Quantity received from Plantation sources (MT in lakh)
During 2017-18	3,365	892	92	64.42	0.30
Till 2017-18	1,24,080	24,179	1,027	958.28	10.00

#### Forest Stewardship Council (FSC) certificate

TNPL obtained certificate from Forest Stewardship Council Chain of Custody and Controlled wood by Rainforest Alliance, New York, USA for complying FM-31, FM-35 FSC-STD-40-004 V2-1, FSC-STD-40-005 V2-1 and FSC-STD-40-007 V2-0. The certificate is valid from July 21, 2015 to July 20, 2020.

#### ISO 9001 & 14001 Certification based on 2015 version

TUV NORD CERT GmbH, recertified TNPL's Quality Management system for "Design, Manufacture and Supply of Printing and Writing Paper" and TNPL's Environment Management system for "Development and Manufacture of Printing and Writing Paper" both based on 2015 version and the certificate is valid from 21 February, 2017 to 20<sup>th</sup> February, 2020.

#### Fuel Management

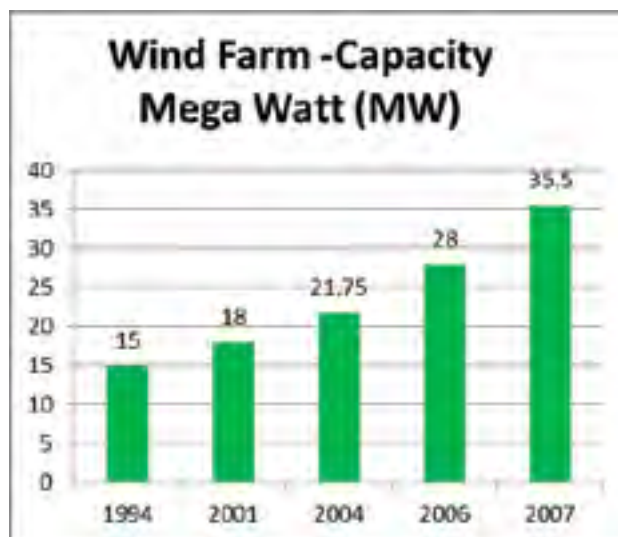
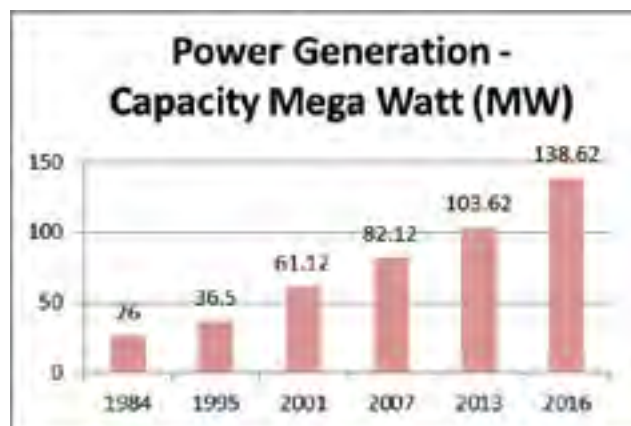
TNPL uses solid fuel in the power boilers and black liquor in the recovery boiler for generation of steam. As black liquor solid has been recognized as bio-mass, power generated from steam produced in the recovery boiler using black liquor solid is eligible for Renewable Energy Certificates (RECs). TNPL is the First Company in the Paper Industry to have availed this benefit. However, since 01.04.2016, this facility has been restricted to the facilities set up between 29<sup>th</sup> September 2010 and 31<sup>st</sup> March 2016. As the facility in TNPL was established prior to the cutoff date, TNPL has become ineligible to avail this facility from 01.04.2016. TNPL has generated revenue of ₹ 15.07 crore during the year through sale of RECs carried over for sale form the earlier years and cumulatively ₹ 76.77 Crore in last 6 years.

#### Water Management

TNPL sources water from the river Cauvery for both the units. 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 reduced to 27 KL per ton of paper- the lowest in the Industry. The Board Plant also has implemented water conservation measures and overall specific water consumption is restricted to 11.8 KL per ton of board.

#### Energy Management

TNPL has 138.62 MW power generation capacity comprising of four power boilers and four turbo generators with a power generation capacity of 103.62 MW in Unit I and two power boilers and one Turbo generator with a generation capacity of 35 MW in Unit II. TNPL is 100% self-sufficient in power. Surplus power 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 till 2007 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 entire resources in Unit I only for production of Printing & Writing Papers. Printing & Writing Papers manufactured in unit I at Kagathipuram is sold in domestic market through a country-wide network of about 86 dealers and exports to over 25 countries. Sales mix in the domestic market and exports during 2017-18 was in the ratio of 4:1.

TNPL unit II has established a strong marketing network of dealers for the board products. In addition, the board is sold in the export market also through dealers. During the year, TNPL Unit II has sold 122884 MT in the domestic market and 19855 MT in the export market.

### Research and Development

TNPL produces and consumes three kinds of pulp: bagasse pulp, wood pulp and deinked pulp. TNPL has perfected the usage of all three kinds of pulp in producing high quality papers. TNPL R&D efforts are focused on producing high quality materials with least cost. TNPL has achieved good progress in this endeavor.

### Quality Control

TNPL Quality Control team plays a pivotal role to set norms for a specific product in collaboration with design and development wing, maintains the stringent quality requirements demanded by our customers through proper appraisal activities and ensures corrective action taken by production department. TNPL Quality Control uses the state-of-art automatic paper testing equipment with self-calibrating smart sensors to measure the quality parameters accurately and precisely within few minutes of sample collection. All the testing is carried out as per ISO standards following a well-designed plan prescribed in our Quality Management System.

### 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. KEY PROJECTS

During the year the company has implemented some of the new projects and some of the projects are under implementation. These projects are as follows:

### PROJECTS IMPLEMENTED

#### Installation of Roll grinding machine in TNPL Unit II

For regular regrinding of the Board Machine rolls (rubber covered and steel covered rolls including the dryer cylinders), a new Roll grinding machine was planned for installation in TNPL Unit II, at a capital outlay of ₹ 25 Crore. The installation of the machine was completed in September 2017. After the trials, the machine was put into continuous operation from October 2017.

#### Installation of additional Bio-gas reactor in TNPL Unit I

At present, there are four (4) nos. of UASB reactors in the Bio-methanation plant handling a hydraulic load of 15,000 to 16,000 m<sup>3</sup>/day and COD load of 75,000 to 85,000 kg/day. In order to improve the biogas plant efficiency and reduce organic load on forward system, two more bio-reactors were installed. Though the construction of the reactors were completed in April 2017 itself, due to non-availability of water on account of water crisis the reactors could be commissioned in August 2017.

#### Augmentation of Electrostatic Precipitator for Recovery Boiler in TNPL Unit I

The recovery boiler was provided with a twin chamber Electrostatic precipitator (ESP) to control the particulate emissions to less than 50 mg/NM<sup>3</sup>. An additional ESP chamber, was planned and installed, so as to improve the overall environmental efficiency of the Recovery boiler. The project was commissioned in March 2018.

### PROJECTS UNDER IMPLEMENTATION

#### Mill Expansion Plan of TNPL Unit II

As part of its growth plan, TNPL has embarked on a Mill Expansion Plan (MEP) to enhance the capacity of TNPL Unit II by 1,65,000 MT per annum, by installing a Paper Machine along with captive pulping facility, at an estimated capital outlay of ₹ 2100 Crore. The project will feature installation of a state-of-the-art 400 tpd chemical hardwood pulping along with chemical recovery facility and augmentation of service utilities viz., Captive power plant and Waste water treatment plant.

Based on the approved Terms of Reference (TOR) by the Ministry of Environment, Forest and Climate Change (MOEFCC), an EIA (Environment Impact Assessment) study was conducted from June to August 2017. A detailed EIA report has been prepared by the consultants. Based on this report, a Public hearing shall be conducted by the Tamil Nadu Pollution Control Board (TNPCB) as per the requirements of by the MOEFCC. The Environmental Clearance (EC) for the Project shall be issued by MOEFCC based on the Expert committee appraisal. After securing the EC, the project implementation shall be taken up.



## VI. 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 and expansion of 900 tpd Cement mill under Lime Sludge and Fly Ash Management, setting up a 300 tpd De-inking Plant, revamping of steam & power system and setting up a state-of-the-art Multilayer Double Coated Board Plant with an annual capacity of 200,000 MT per annum were funded through appropriate mix of internal generation and borrowed funds. TNPL has repaid loans on due dates.

Term loans outstanding as on 31.3.2018 is ₹ 1917.02 Crore. The working capital loans outstanding as on 31.3.2018 is ₹ 508.57 Crore. The weighted average cost of loan outstanding as on 31.3.2018 is 8.3%.

## VII. OUTLOOK, OPPORTUNITIES AND CHALLENGES

### Newsprint

As manufacture of newsprint is not economical, TNPL stopped manufacturing newsprint from 2009 onwards.

### Printing & Writing Paper

The present market size of Indian Paper Industry is estimated at 14 million tonnes consisting of Printing & Writing Paper 5.2 million tonnes, Newsprint 2.7 million tonnes, Industrial Paper and Packaging Boards 5.8 million tonnes and specialty paper 0.3 million tonnes. In the Printing & Writing Paper segment, uncoated varieties constitute 4.3 million tonnes and coated varieties 0.9 million tonnes. Within uncoated varieties, Creamwove grades account for 50% and Surface Sized Grades for the balance 50%.

### Packaging Boards

The Packaging Board market size is estimated at 3.5 million tonnes. Grey-back Boards constitute 45% and White-back Coated Boards, Folding Box Board, Solid Bleached Sulphate Board other specialty Boards account for the balance 55%.

### Opportunities and Challenges

The paper industry in India looks extremely positive as the demand for upstream market of paper products, like, tissue paper, tea bags, filter paper, light weight online coated paper, medical grade coated paper, etc., is growing up. The demand for uncoated Printing & Writing Paper is expected to grow at 5-6% per annum and high end Packaging Board at 10-12% per annum. Per capita consumption of paper in India is low at 13 kgs. India is considered as the fastest growing market in the paper sector in the world. With the consistent growth in demand, there is a good potential for capacity addition and fresh investments in the industry. By

2024-25, under the baseline scenario, domestic consumption is projected to rise to 25 million TPA. About 1 million TPA of integrated pulp, paper and paperboard capacity has to be created in India on an annual basis over the current capacity to meet the growing demand. Such investments would create a multiplier effect on the economy through gross capital formation, direct employment

Scarcity of pulpwood, rising pulpwood prices in the domestic market, poor wastepaper collection and recovery mechanism in the country, rising imports under Free Trade Agreements (FTAs) are some of the major areas of concern for the paper industry. Indian paper industry has to manage the above challenges through rising pulpwood plantation, increasing wastepaper collection mechanism and implementing effective and efficient cost control measures.

## RISKS AND CONCERNS

Risks and uncertainties are an inherent part of every business, and yet it is important to identify the risks and take proactive steps to mitigate them. At periodical intervals TNPL identifies and evaluates risks and takes preventive measures.

Risk management is a part of the Company's business planning and controlling process.

Depending on the dynamics and severity, risks are categorized by functions wise and classified further as High Risk, Medium Risk and Low risk.

## VIII. 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 process
- 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 in Environment, Safety and Health.

### Environmental Monitoring:

The continuous online data collected from final treated effluent stream, stack emissions from power boiler, recovery boiler and lime kiln, stack emissions from cement plant were successfully uplinked to TNPCB and CPCB servers during the year and being continuously displayed in the electronic board installed at the entrance of main plant and cement plant.

In TNPL, cement plant has consumed about 44528 MT of lime sludge generated in TNPL main plant (Pulp and Paper manufacturing facility), saving of usage of 24545 MT of lime stone. 65902 MT of fly ash is used in manufacture of cement during the year.

The Bio gas generated in Bio methanation plant using high COD Bagasse wash effluent is being used in the lime kilns to replace furnace oil to reduce carbon foot print. During 2017-18.

## IX. HUMAN RESOURCES DEVELOPMENT

### a) KNOWLEDGE MANAGEMENT

A Knowledge Management (KM) portal is in place for past 2 years. The employees share their experience with respect to problems faced in plant operations, trouble shooting, technological developments etc., in the KM portal. This enables all the employees to keep themselves abreast of the latest developments in the mill operations.

### b) INDUSTRIAL RELATIONS

TNPL takes pride in its track record of maintaining congenial work atmosphere thereby leading to harmonious industrial relations. During the year, a four year wage revision with effect from May, 2014 was concluded amicably for Workmen, Chargemen and Staff. Pay revision for Executives also was finalized and implemented. Election for Recognized Trade Unions has been conducted smoothly and four unions have been elected as recognized Unions. Positive work culture built over the years has enabled the company to effectively utilize its human resources.

### c) TRAINING & DEVELOPMENT

Development of Human resources is a continuous activity in TNPL. In-house training programs and external training programs were conducted covering 500 persons, 643.2 Mandays during the year 2017-2018. On the job training is given to employees through the respective departmental personnel. Employees are also sent to different industrial organization in the country to gain knowledge.

The executives are also sponsored to attend the seminars and workshops organized by leading institutions like IIMs, FICCI, NITIE, CII and IPPTA etc. The participants have given positive feedbacks.

As part of developing skill and improving the employability of the youth, TNPL has engaged 21 Graduate apprentice, 2 Diploma Apprentice and 28 ITI apprentices under the apprentices Act 1961, under the guidance of Board of Apprenticeship Training, Chennai and Regional Director of Training, Trichy.

## X. CORPORATE SOCIAL RESPONSIBILITY

Corporate Social Responsibility is a way of life in TNPL. TNPL's CSR activities are implemented mostly in the villages / Town Panchayats located in the vicinity of TNPL plants. Corporate Social Responsibility in TNPL is considered and taken as Personal Social Responsibility. Employees from different departments / levels come forward to pool their resources and provide required assistance for carrying out several projects in CSR activities. TNPL is committed to help the inhabitants of the surrounding villages by taking part in drinking water supply schemes, construction of retaining walls in the irrigation channels, laying and improving roads, culverts, providing lighting facilities, Development of parks, Supply of equipment and instruments to Fair Price Shops, Improving infrastructure facilities in Government Schools, Constructing community hall, Conducting medical camps, Providing financial assistance to needy people, Contributing for Cultural programmes, Sports activities and Place of worship like Temple, Church, Mosque. This has paved the way for establishing a harmonious relationship in the local areas.

TNPL spends generally around 2% of the average profit before tax of the previous three years for various CSR activities covering Education, Health Care, Social development, Livelihood /Economic improvement, Environment & Sanitation, Culture & Heritage and Soil & Water conservation. During 2017-18, TNPL has spent ₹ 2.55 crore for CSR activities.

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

## XI. AWARDS AND ACCOLADES RECEIVED DURING THE YEAR

1. Mission Energy Foundation, Maharashtra has awarded TNPL "Fly ash utilization 2018 Award" in the category of Green Building Material –Cement.
2. TNPL has been awarded as "Water Stewardship Award" during India Corporate Governance and Sustainability Vision Summit 2018 New Delhi conducted by Indian Chamber of Commerce.
3. TNPL has been selected and awarded as "Efficient Water Management Unit" at Confederation of Indian Industry (CII) for Excellence in Water Management – 2017 "Within the Fence" during Water Innovation Summit 2017 at New Delhi.
4. TNPL received "Most Innovative Project" award for the Environmental Best Practices Award 2017 conducted by CII-Sohrabji Godrej Green Business Centre, Hyderabad.
5. TNPL has bagged the 18<sup>th</sup> National Award for Excellence in Energy Management for the year 2017 from Confederation of Indian Industry.

## ANNEXURE – VII

### REPORT ON CORPORATE GOVERNANCE

This Corporate Governance Report relating to the year ended on 31<sup>st</sup> March, 2018 has been issued in compliance with the requirements of Regulation 34(3) read with Clause of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forms a part of the Report of the Directors to the Members of the Company.

#### 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, 2018, the Board consisted of nine directors - a Chairman, Managing Director (executive Director) nominated by GOTN and two non-executive Directors nominated by GOTN, and five independent non-executive Directors including one woman director.

As per Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, board of directors shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the board of directors shall comprise of non-executive directors. Where the chairperson of the board of directors is a non-executive director, at least one-third of the board of directors shall comprise of independent directors and where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors provided that where the regular non-executive chairperson is a promoter of the listed entity or is related to any promoter or person occupying management positions at the level of board of director or at one level below the board of directors, at least half of the board of directors of the listed entity shall consist of independent directors.

The composition of the Board of Directors of TNPL complied with the provisions of Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Tvl. V. Narayanan, V Nagappan, N Narayanan, IAS (Retd.), V Chandrasekaran and Tmt. Soundara Kumar are categorized as independent directors.

During the year 2017-18, following changes took place in the composition of the Board:

Sl. No.	Name of Director	Event Date	Appointment / Cessation
1.	Tmt. Sarada Jagan	01.04.2017	Ceased to be a Director
2.	Thiru N Kumaravelu	19.04.2017	Ceased to be a Director
3.	Thiru Vikram Kapur, IAS	20.04.2017	Ceased to be a Director
4.	Dr. R.Selvaraj, IAS	20.04.2017	Appointed as Additional Director and designated as Managing Director and regularized as Director at the AGM held on 19.09.2017.
		29.11.2017	Ceased to be a Director
5.	Thiru Atulya Misra, IAS	20.04.2017	Appointed as Additional Director, designated as Chairman and regularized as Director at the AGM held on 19.9.2017.
		31.01.2018	Ceased to be a Director
6.	Tmt. Soundara Kumar	30.06.2017	Appointed as Additional (Independent) Director and appointed as Independent Director at the AGM held on 19.09.2017.

Sl. No.	Name of Director	Event Date	Appointment / Cessation
7.	Thiru. Mahesan Kasirajan, IAS	07.09.2017	Ceased to be a Director.
8.	Tmt. Anu George, IAS	19.09.2017	Appointed as Additional Director
9.	Thiru. M.R Kumar	05.10.2017	Ceased to be a Director.
10.	Thiru. V Chandrasekaran	13.11.2017	Appointed as Additional (Independent) Director.
11.	Thiru. S Sivashanmugaraja, IAS	29.11.2017	Appointed as Additional Director designated as Managing Director.
12.	Thiru. K Gnanadesikan, IAS	31.01.2018	Appointed as Additional Director designated as Chairman.
13.	Thiru A Velliangiri	29.03.2018	Ceased to be a Director and CFO.

There is no inter se relationship between the directors.

### Board Diversity

Your Company has over the years been fortunate to have eminent persons from diverse fields as Directors on its Board.

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Nomination & Remuneration Committee has formalized a policy on Board Diversity to ensure diversity of experience, knowledge, perspective, background, gender, age and culture. The policy is posted on the Company's website and can be accessed on web link <http://www.tnpl.com>

### Independent Directors

Based on the confirmations / disclosures received from the Directors and on evaluation of the relationships disclosed, all the Non-Executive – Independent Directors are independent in terms of provisions of Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015). All the directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than twenty companies, including ten public companies. None of the directors are related to each other.

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

During the year, the Independent Directors of the Company met separately without the presence of other Directors or management representatives on 19<sup>th</sup> March, 2018 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.
- The Independent Directors discussed, among other matters, the performance of the company and risk faced by it, competition, strategy, leadership strengths and weaknesses, governance, compliance, Board movements and human resources matters.

### Familiarisation Programme

The Company has framed familiarization programme for Independent Directors. The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarise with the Company's procedures and practices. A new Director is welcomed to the Board of Directors of the Company by sharing various

documents and information of the Company for his/her reference such as brief introduction to the Company and profile of Board of Directors of the Company, details of various Committees of the Board, latest Annual Reports, Code of Conduct for Directors, Code of Conduct for Senior Management and Employees, Code of Conduct for Independent Directors, Code of Conduct for Prevention of Insider Trading in shares of the Company etc. Periodic presentations are made at the Board and Committee Meetings, on business and performance updates of the Company, business strategy and risks involved. This enables the Directors to get a deeper insight into the operations of the Company. Such presentations also provide an opportunity to the Independent Directors to interact with the Senior Management team of the Company and help them to understand the Company's policies, its long term vision and strategy, business model, operations and such other areas as are relevant from time to time. The Company updates the Board Members on a continuing basis on any significant changes therein and provides them an insight to their expected roles and responsibilities so as to be in a position to take a well-informed and timely decisions and contribute significantly to the Company.

All Directors are apprised of any changes in the codes or policies of the Company. The Board of Directors has access to the information within the Company which is necessary to enable them to perform their role and responsibilities diligently.

The Independent Directors, from time to time request management to provide detailed understanding of any specific project, activity or process of the Company. The management provides such information and training either at the meeting of Board of Directors or otherwise.

The Statutory Auditors and External Internal Auditors of the Company make presentations to the Board of Directors with regard to regulatory changes from time to time while approving the Financial Results.

The details of familiarization programme is disclosed at Company's website at [www.tnpl.com](http://www.tnpl.com).

### **Board Meetings Process**

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.

The notice of Board Meeting is given well in advance to all the Directors. The meetings are usually held at the company's Registered Office at 67 Mount Road, Guindy, Chennai 600 032. The Agenda and Pre-reads are circulated well in advance in the prescribed agenda format before each meeting to all the Directors for facilitating effective discussion and decision making. 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.

Considerable time is spent by the Directors on discussion and deliberations at the Board Meetings.

### Support and Role of Company Secretary

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board and Committees thereof for consideration. The Company Secretary is also responsible for preparation of the Agenda and convening of the Board and Committee meetings. The Company Secretary attends all the Meetings of the Board and its Committees, advises/assures the Board on Compliance and Governance principles and ensures appropriate recording of minutes of the meetings. He acts as interface between the Board and the Management and provides required assistance and assurance to the Board and the Management on compliance and governance aspects.

### Invitees & proceedings

Apart from the Board members, Company Secretary, Senior Management executives are invited as and when necessary, to provide additional inputs for the items being discussed by the Board. The Chief Financial Officer makes presentation on the quarterly and annual operating & financial performance and on annual operating & CAPEX budget. The Chief Financial Officer and other senior executives make presentations on CAPEX proposals & progress, operational health & safety, marketing & industry scenario and other business issues. The Chairman of various Board Committees brief the Board on all the important matters discussed & decided at the respective committee meetings, which are generally held prior to the Board meeting.

**b. Attendance of each Director at the Board of Directors' Meetings held during 2017-2018, the last AGM and number of other company/ies 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
Thiru K Gnanadesikan IAS, Chairman (w.e.f.31.01.2018)	Non Executive	2	2	NA	11	7	-	-
Thiru Atulya Misra, IAS Chairman (from 20.04.2017 to 31.01.2018)	Non Executive	6	5	Yes	12	6	-	-
Thiru Vikram Kapur, IAS Chairman & Managing Director (upto 20.4.2017)	Executive	0	NA	NA	6	-	-	-
Thiru S. Sivashanmugaraja, IAS Managing Director (w.e.f. 29.11.2017)	Executive	3	3	NA	0	0	-	-
Dr. R. Selvaraj IAS Managing Director (from 20.04.2017 to 29.11.2017)	Executive	5	5	Yes	-	-	-	-
Thiru A. Velliangiri Deputy Managing Director (upto 29.03.2018)	Executive	8	8	Yes	-	-	-	-
Thiru K Shanmugam IAS	Non-Executive	8	2	No	10	-	3	2
Thiru Mahesan Kasirajan, IAS (upto 07.09.2017)	Non-Executive	3	2	NA	2	1	0	0

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
Tmt Anu George, IAS (w.e.f. 19.09.2017)	Non-Executive	5	3	NA	2	1	0	0
Thiru V Narayanan	Independent Non-Executive	8	7	No	1	0	1	0
Thiru M R Kumar (upto 05.10.2017)	Independent Non-Executive	4	0	No	1	-	-	-
Thiru V Nagappan	Independent Non-Executive	8	7	Yes	3	0	1	0
Thiru N Narayanan, IAS (Retd.)	Independent Non-Executive	8	7	Yes	1	0	0	0
Tmt. Soundara Kumar (from 30.06.2017)	Independent Non-Executive	6	6	Yes	9	0	3	2
Thiru V. Chandrasekaran (from 13.11.2017)	Independent Non-Executive	4	4	NA	5	0	1	0

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

None of the Directors on the Board is a member of more than 10 Committees and Chairman of more than 5 Committees as specified in Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 across all companies in India of which he is a Director.

#### Limit on number of directorships

- A person shall not serve as an independent director in more than seven listed companies.
- 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 2017-18 as against the minimum requirement of four meetings. The meetings were held on the following dates:

27.04.2017, 29.05.2017, 11.08.2017, 19.09.2017, 13.11.2017, 05.12.2017, 12.02.2018, 19.03.2018.

#### 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:

- Minutes of the meetings of the Board, Audit Committee, Stakeholders' Relationship Committee, Corporate Social Responsibility Committee and Nomination and Remuneration Committee.
- Quarterly, half yearly and annual financial results of the company and its business segments
- Annual operating plans and budgets and any updates
- Capital budgets and any updates
- Cost Audit report / Secretarial audit report
- Appointment of statutory auditor, secretarial auditor, cost auditor and internal auditor
- 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. 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 Committee.

**f. Post Meeting Follow-up Mechanism**

Action Taken Report is prepared by the Company Secretary and reviewed periodically by the Management for the action taken / pending to be taken.

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

**g. 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 38<sup>th</sup> Annual General Meeting along with the Explanatory Statement.

### 3. Audit Committee – (Statutory) Regulation 18(3)

#### Powers of Audit Committee

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
- To call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board.
- To discuss any related issues with the internal and statutory auditors and the management of the company.
- To investigate into any matter in relation to the items or referred to it by the Board.
- To have full access to information contained in the records of the company.

#### a) Terms of reference

The terms of reference of this Committee are wide enough to cover the matters specified for Audit Committee under Section 177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The terms of reference of the Audit Committee include the monitoring, implementing and review of risk management plan as required under Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and therefore a separate Risk Management Committee has not been constituted. The broad terms of reference of the Audit Committee therefore include:

- 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, debenture holders, 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:

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

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 of the earlier Listing Agreement). As on 31<sup>st</sup> March, 2018, the following five non-executive Independent Directors are the members in the Audit Committee:

1. Thiru V Narayanan, Chairman of the Committee
2. Thiru N Narayanan, IAS (Retd.), Member



3. Thiru V Nagappan, Member
4. Tmt Soundara Kumar, Member
5. Thiru V Chandrasekaran, Member

The Company Secretary acts as the Secretary to the Committee.

The Chairman, Managing Director, Dy. Managing Director, 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 [Regulation 18(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Director	No. of Meetings Held	Attended
Thiru V Narayanan	7	6
Thiru N Narayanan, IAS (Retd.)	7	6
Thiru V Nagappan	7	7
Tmt Soundara Kumar*	5	5
Thiru V Chandrasekaran**	3	3
Thiru M. R. Kumar***	3	0

\* Inducted as a member of Audit Committee w.e.f. 11.08.2017

\*\* Inducted as a member of Audit Committee w.e.f. 13.11.2017

\*\*\* Ceased to be director w.e.f. 05.10.2017

The Audit Committee met 7 times during 2017-18 as against the minimum requirement of 4 meetings. The dates on which the meetings were held are given below:

29.05.2017, 11.08.2017, 19.09.2017, 13.11.2017, 05.12.2017, 12.02.2018, 19.03.2018.

**Invitees / Participants:**

1. The Deputy Managing Director and CFO is a permanent invitee to all Audit Committee meetings.
2. The representatives of the Internal Auditors have attended all the Audit Committee meetings, as far as possible and briefs the Committee on all the points covered in the Internal Audit Report as well as the other issues that comes up during discussions.
3. The Heads of Manufacturing and Marketing, other Senior management personnel are invited to attend the meeting as and when required, to provide inputs on issues relating to internal audit findings, internal controls, accounts, taxation, risk management etc.

**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." In addition to Section 178(5) of the Companies Act, 2013, this Committee complies with Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The following three non-executive Independent Directors are the members in the Stakeholders` Relationship Committee as on 31<sup>st</sup> March, 2018:

1. Thiru V Narayanan - Chairman of the Committee
2. Thiru V. Nagappan - Member
3. Thiru V. Chandrasekaran - Member

The Stakeholders' Relationship Committee met on 12<sup>th</sup> February, 2018 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
Thiru V Narayanan	1	1
Thiru V Nagappan	1	1
Thiru V Chandrasekaran	1	1

#### Terms of reference:

The functioning and broad terms of reference of the Stakeholders' Relationship 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.

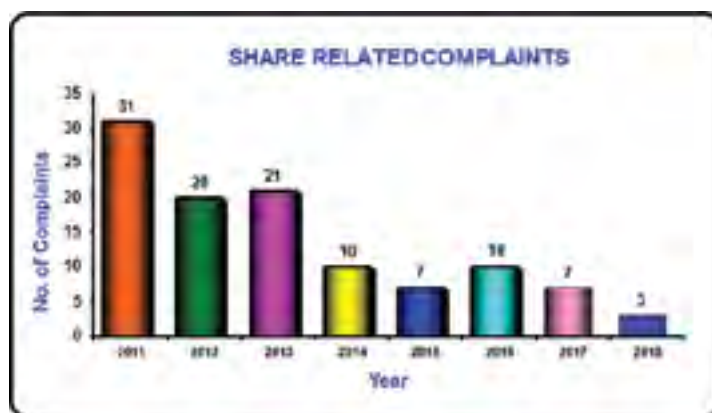
The Company Secretary, being the Compliance Officer, is entrusted with the responsibility, to specifically, look into the redressal of the shareholders and investors complaints and report the same to the Investors' Grievances Committee.

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	1
Non-receipt of Share Certificates	-
Miscellaneous/ Others	1
<b>Total</b>	<b>3</b>

Complaints Status: 1.4.2017 to 31.3.2018

Nature of complaints (Received and Resolved)	Q1	Q2	Q3	Q4	Total
Securities and Exchange Board of India	-	-	-	-	-
Stock Exchanges	-	-	-	-	-
Shareholders	-	-	2	1	3
<b>Total</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>1</b>	<b>3</b>



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. The Share Transfer Committee attends to the share transfer formalities twice / 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, 2018 have been acted upon. No share transfer was pending as on 31<sup>st</sup> March, 2018.

#### 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. As on 31<sup>st</sup> March, 2018, the following non-executive Independent Directors are the members in the Committee:

1. Thiru N Narayanan, IAS (Retd.) - Chairman of the Committee
2. Thiru V Narayanan - Member
3. Thiru V Nagappan - Member
4. Tmt Soundara Kumar\* - Member

\*Inducted as member w.e.f.11.08.2017

#### Meetings and attendance during the year

The Corporate Social Responsibility Committee met on 29<sup>th</sup> May 2017 and 13<sup>th</sup> November, 2017.

Director	No. of Meetings Held	Attended
Thiru N Narayanan IAS (Retd.)	2	2
Thiru V Narayanan*	2	2
Thiru V Nagappan	2	2
Tmt Soundara Kumar**	1	1

\* Inducted as member w.e.f. 27.04.2017

\*\* Inducted as member w.e.f. 11.08.2017

The company had formulated CSR Policy as per the provisions of the Companies Act, 2013. 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 Care
3. Social development

4. Livelihood and Economic improvement
5. Environment & Sanitation
6. Culture & Heritage
7. Soil & Water conservation

#### 6. Nomination and Remuneration Committee

To comply with Section 178 of the Companies Act 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has formed a Nomination and Remuneration Committee. As on 31<sup>st</sup> March, 2018, the following non-executive Independent Directors are the members in the Committee:

1. Thiru N Narayanan, IAS (Retd.) - Chairman of the Committee
2. Thiru V Narayanan - Member
3. Tmt Soundara Kumar\* - Member
4. Thiru V Chandrasekaran\*\* - Member

\* Inducted as member w.e.f. 11.08.2017

\*\* Inducted as member w.e.f. 13.11.2017

The Nomination and Remuneration Committee met on 27<sup>th</sup> April, 2017, 12<sup>th</sup> February, 2018 and 19<sup>th</sup> March, 2018.

#### Meetings and attendance during the year

Director	No. of Meetings Held	Attended
Thiru N Narayanan IAS (Retd.)	3	3
Thiru V Narayanan	3	3
Tmt. Soundara Kumar*	2	2
Thiru M R Kumar**	1	0
Thiru V Chandrasekaran***	2	2

\* Inducted as member w.e.f. 11.08.2017

\*\* Ceased as member w.e.f. 05.10.2017

\*\*\* Inducted as member w.e.f. 13.11.2017

#### 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 feed-back 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.

### Performance Evaluation of Directors

The Nomination and Remuneration Committee has specified the criteria for performance evaluation of the Directors, the Board and its committees. The Board is committed to evaluating its own performance as a Board and evaluating performance of individual Directors, in order to identify strengths and areas in which it may improve functioning. Further, overall effectiveness of the Board is measured to decide the appointments and re-appointments of Directors.

A performance evaluation of each Independent Director of the Company was done by the Board of Directors. The attendance, participation and contributions of each Independent Directors during the proceedings of meetings of the Directors were appreciated. The knowledge, experience and advice shared by the Independent Directors from time to time have ensured governance and good conduct, adherence to laws, mitigating risks and growth. The overall outcome from the evaluation was that the Board and its individual Directors were performing effectively.

### Remuneration Policy

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. The remuneration/compensation to the Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. This will be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
  - b. The composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate the Key Managerial Personnel and Senior Management of the quality required to meet high standards of performance. The relationship of remuneration to performance shall be clear and meet appropriate performance benchmarks. The Committee may review remuneration of senior management personnel from time to time.

### Remuneration to Non-Executive & Independent Directors:

- c. The Non-executive Directors and Independent Directors of the Company are entitled to sitting fees as determined by Board from time to time for attending Board / Committee meetings thereof in accordance with the provisions of Act.
- d. The Key Managerial Personnel, Senior Management Personnel and other employees shall be paid remuneration as revised through the Salary Review process of the Company from time to time. In respect of officers/executives including whole time directors, the salary revision is effected with the approval of the Board generally after reaching a settlement with the workmen. The last such revision was given in November 2016 covering the period from 16<sup>th</sup> May 2014 to 15<sup>th</sup> May 2018. The whole time directors and the executives in senior management appointed by following the normal recruitment procedure are covered under the compensation package approved by the Board of Directors.

### Remuneration for Senior Executives on contractual basis:

Due to work needs, the company shall re-engage executives on contract basis with specific tenor after retirement.

Thiru Vikram Kapur, IAS was appointed as Chairman and Managing Director as per the Govt. order on 7<sup>th</sup> September, 2016 and he ceased to be director w.e.f. 20.04.2017. He was paid remuneration in accordance with the Govt. rules as applicable to his cadre.

Dr. R Selvaraj, IAS was appointed as Managing Director, as per the Govt. order on 20<sup>th</sup> April, 2017 and he ceased to be a director w.e.f. 29.11.2017. He was paid remuneration in accordance with the Govt. rules as applicable to his cadre.

Later, Thiru S Sivashanmugaraja, IAS was appointed as Managing Director as per the Govt. order on 29<sup>th</sup> November 2017. He is being paid remuneration in accordance with the Govt. rules as applicable to his cadre.

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



a) Details of remuneration for the year ended 31<sup>st</sup> March, 2018**Executive Directors****(₹ In Lakh)**

Name & Position	Pay & Allowances	Reimbursement of medical expenses	Perquisites	Perquisites	Total
Thiru Vikram Kapur, IAS, CMD	0.75	-	-		0.75
Dr. R Selvaraj, IAS MD	12.19	-	-	3.23	15.42
Thiru S Sivashanmugaraja, IAS MD	7.58	-	-	1.86	9.44
Thiru A Velliangiri Dy. Managing Director	46.62*	-	-	3.17	49.79
<b>Total</b>	<b>67.14</b>	<b>-</b>	<b>-</b>	<b>8.26</b>	<b>75.40</b>

\* It includes leave encashment of ₹ 10.95 Lakh paid for the entire duration of contractual engagement at the time of cessation.

**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:

Name of the Director	Sitting Fees paid (₹)					
	Board Meeting	Audit Committee Meeting	Stakeholders' Relationship Committee	CSR Committee	Nomination and Remuneration Committee	Independent Director's Meeting
Thiru Atulya Misra, IAS Appointed as a Chairman on 20.04.2017 and Ceased to be a Chairman w.e.f 31.01.2018	125000*	0	0	0	0	0
Thiru K Gnanadesikan IAS Appointed as Chairman on 31.01.2018	50000*	0	0	0	0	0
Thiru K. Shanmugam IAS	50000*	0	0	0	0	0
Thiru Mahesan Kasirajan IAS Ceased to be a director w.e.f.07.09.2017	50000*	0	0	0	0	0
Tmt Anu George IAS Appointed as director w.e.f. 19.09.2017	75000*	0	0	0	0	0
Thiru N.Narayanan IAS (Retd.)	175000	150000	0	50000	75000	25000
Thiru V Narayanan	175000	150000	25000	50000	75000	25000
Thiru V Nagappan	175000	175000	25000	50000	0	25000

Name of the Director	Sitting Fees paid (₹)					
	Board Meeting	Audit Committee Meeting	Stakeholders' Relationship Committee	CSR Committee	Nomination and Remuneration Committee	Independent Director's Meeting
Tmt. Soundara Kumar Appointed as a director w.e.f. 30.06.2017	150000	125000	0	25000	50000	25000
Thiru V Chandrasekaran Appointed as a director w.e.f. 13.11.2017	100000	75000	25000	0	50000	25000
<b>Total</b>	<b>1125000</b>	<b>675000</b>	<b>75000</b>	<b>175000</b>	<b>250000</b>	<b>125000</b>

\* remitted to Govt. of Tamil Nadu

Non-executive Directors were paid sitting fees of ₹ 25000/- 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.

### 7. General Body Meetings

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

Year	Location	Date	Time	Special Resolution passed in the AGM by shareholders
2014-15	The Music Academy, 168, T.T.K. Road, Chennai-600 014.	18.9.2015	10.15 AM	No
2015-16	-do-	28.9.2016	10.15 AM	No
2016-17	-do-	19.09.2017	10.15 AM	3

II. Postal Ballot

During the year under review, no resolution has been passed through postal ballot. None of the items to be transacted at the ensuing Annual General Meeting is required to be passed by postal ballot.

#### E-voting System

Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 19<sup>th</sup> September, 2017.

#### 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, Three(3) circular resolutions by the Board and Seven (7) circular resolutions by the Nomination & Remuneration Committee (NRC) and one (1) circular resolution by Audit Committee were passed which was recorded at the subsequent Board/NRC/Audit Committee meeting.

### Secretarial Audit Report

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 2017-18. The Secretarial Audit Report in Form MR-3 is attached as an annexure to the Board of Director's Report.

### Reconciliation of Share Capital Audit

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, 2017	7 <sup>th</sup> July, 2017
30 <sup>th</sup> September, 2017	10 <sup>th</sup> October, 2017
31 <sup>st</sup> December, 2017	11 <sup>th</sup> January, 2018
31 <sup>st</sup> March, 2018	9 <sup>th</sup> April, 2018

### 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 2017-18 the Compliance Report on Corporate Governance to stock exchanges in the prescribed format within 15 days from the close of the quarter.

### 8. Disclosures

- 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 Indian Accounting Standards (Ind AS 24) has been made in the notes to Accounts forming part of this Annual Report.
- Pursuant to Regulations 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Chief Executive Officer and the Chief Financial Officer certified to the Board on their review of financial statements and cash flow statements for the financial year ended 31<sup>st</sup> March 2018 in the form prescribed by Part B of Schedule II of the said Listing Regulations.
- The criteria for making payments to non-executive directors is placed on the website of the company [www.tnpl.com](http://www.tnpl.com)
- None of the non-executive directors is holding shares / convertible instruments of the company.
- There were no instances of non-compliance on any matter relating to the capital market during the last three years
- 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 38<sup>th</sup> Annual General Meeting.
- The Company has complied with all mandatory items of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Code of Conduct – Regulation 26 (3)

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 Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 2017-18 has been received from the Directors and Senior Management personnel of the company.

### Prevention of Insider Trading

In January 2015, SEBI notified the SEBI (Prevention of Insider Trading) Regulations, 2015 which came into effect, from May 15, 2015. Pursuant thereto, the Company has formulated and adopted a new Code for Prevention of Insider Trading. The new code viz. "Code of Internal Procedures and Conduct for Regulating, Monitoring And Reporting of Trading by Insiders" and the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" (TNPL Code) allow the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in the Company's shares. It also prohibits the purchase or sale of Company's shares by the Directors, designated employees and connected persons, while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

The Company Secretary is responsible for implementation of the Code. The Board of Directors, designated employees and connected persons have affirmed compliance with the Code.

### 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, Dinathanthi |
| 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, Dinathanthi |
| 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. The Company also uploads on the BSE Listing Centre and on NSE NEAPS portals, details of analysts and institutional investor meetings whenever the Company's representatives attend any meeting of the investors.
- 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) and Business Responsibility 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. The Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part A of Schedule III of the SEBI Regulations including material information having a bearing on the performance / operations of the listed entity or other electronically on BSE's online Portal – BSE Corporate Compliance & Listing Centre (Listing Centre) and on NSE Electronic Application Processing System (NEAPS), the on-line portal of National Stock Exchange of India Limited.
- j. The Board of Directors has approved a policy for determining materiality of events for the purpose of making disclosure to the Stock Exchanges. The Managing Director and Executive Director (F) & CFO of the Company are severally / jointly authorized to determine Materiality of any event or information while Executive Director (F) & CFO / Company Secretary & AGM Internal Audit are severally authorised to make disclosures of the same to stock exchange(s), subject to the provisions of this Policy.
- k. All disclosures made to the stock exchanges as statutorily required are also available on the Company's website [www.tnpl.com](http://www.tnpl.com)
- l. 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.
- m. Ministry of Corporate Affairs: The Company has periodically filed all the necessary documents with the MCA.
- n. 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.
- o. The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015).
- p. Shareholders are encouraged to correspond with the Registrars & Share Transfer Agents and the Company via email to speed up response, reduce paperwork and also to help us redress complaints faster. Shareholders are requested to mention their Folio nos. (DP-ID and Client ID in case of demat shares), phone or mobile number and their Email ID so that we can contact them and redress their complaints immediately. However, for instructions like change of bank mandate, change of address, transfers & transmission of shares etc. letters duly signed by the Shareholders concerned should be sent otherwise such requests cannot be processed by the Registrars. Email ID of Shareholders will have to be registered with the Depositories to enable the Registrars to communicate electronically. Registration of Email ID can be done by sending them a letter duly signed by the Shareholders.
- q. The Corporate Governance Report of the Company for the year 2017-18 is in compliance with the requirements of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 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 responsibility of risk management, adherence to risk management plan and procedures and risk related matters have been delegated to the Audit Committee and hence there is no separate Risk Management Committee has been constituted.

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 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. 38<sup>th</sup> Annual General Meeting

<b>Day, Date and Time</b>	Wednesday, 19 <sup>th</sup> September 2018 at 10.15 AM
<b>Venue</b>	The Music Academy, 168, T.T.K. Road, Chennai-600 014

### 2. Financial Year Calendar (2018-2019) (Tentative):

The Company follows the period of 1<sup>st</sup> April to 31<sup>st</sup> March, as the Financial Year. For the Financial year 2018 -2019, Financial Results will be announced as per the following tentative schedule.

1 <sup>st</sup> quarter ending June 30, 2018	First/Second week of August 2018
2 <sup>nd</sup> quarter ending September 30, 2018	First/Second week of November 2018
3 <sup>rd</sup> quarter ending December 31, 2018	First/Second week of February 2019
4 <sup>th</sup> quarter ending March 31, 2019	Third/Fourth week of May 2019

### 3. Book closure date: 13.09.2018 to 19.09.2018 (both days inclusive) on account of AGM and Dividend.

### 4. Record Date in respect of shares held in dematerialised form, is 12.09.2018 for determining those who will be entitled to receive dividend to be declared at the ensuing Annual General Meeting.

### 5. Cut Off Date is 12.09.2018 for determining those who will be entitled to vote electronically on the resolutions mentioned in the Notice convening the Annual General Meeting by remote e-Voting and also vote at the meeting venue.

### 6. Electronic Voting

Pursuant to section 108 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and other applicable requirements, voting at the 38<sup>th</sup> Annual General Meeting will be made through electronic voting. The electronic voting period will be from 9.00a.m. IST on 15.09.2018 to 5.00 p.m. IST on 18.09.2018, both days inclusive

### 7. Scrutiniser for electronic voting: Thiru R Sridharan of M/s. R Sridharan & Associates, Practicing Company Secretary (Membership No. FCS 4775) has been appointed as the Scrutiniser to scrutinise the electronic voting process in a fair and transparent manner and to give his report to the Chairman.

### 8. (a) Dividend payment date: 21.09.2018 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. The Board of Directors have framed a Dividend Distribution Policy which is posted on the website of the Company at [http://www.tnpl.com/web\\_pdf\\_files/Dividend-Distribution-Policy-TNPL.pdf](http://www.tnpl.com/web_pdf_files/Dividend-Distribution-Policy-TNPL.pdf)

9. Listing of Equity Shares on

(a) Stock Exchanges at :

National Stock Exchange of India Limited Listing Department Plot No. C/1, G Block Bandra-Kurla Complex Bandra (E) – Mumbai - 400 051	BSE Limited Phiroze Jeejeebhoy Towers 25 <sup>th</sup> Floor Dalal Street Mumbai 400 001
--	--

(b) Depositories at :

National Securities Depository Ltd. Trade World, 4 <sup>th</sup> Floor, 'A' Wing Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai – 400 013	Central Depository Services (India) Limited Marathon Futurex, 25 <sup>th</sup> Floor, N M Joshi Marg, Lower Parel (East), Mumbai – 400 013
--	---

- Listing fee for Equity shares for the year 2017-2018 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 2017-18 have been paid to National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL)

10. 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

11. (a) Market Price Data (In ₹)

Month/Year	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	High Price	Low Price	Volume	High Price	Low Price	Volume
April 2017	329.90	292.00	6,25,407	329.60	291.75	3174706
May 2017	361.40	289.15	9,19,308	361.45	288.70	6857007
June 2017	347.00	310.40	4,47,716	343.25	309.30	2821987
July 2017	396.00	305.85	7,28,751	398.00	309.60	8077878
August 2017	377.90	322.45	5,82,568	378.10	323.00	3034218
September 2017	377.00	330.05	7,58,736	379.00	285.50	5843048
October 2017	364.10	338.90	1,88,606	364.80	337.80	1756199
November 2017	398.00	318.40	3,42,307	397.00	317.50	3427181
December 2017	455.00	357.00	11,55,034	461.90	357.05	10950322
January 2018	499.00	415.50	6,69,279	499.00	415.05	3224114
February 2018	429.30	357.00	2,12,917	433.00	358.30	2007483
March 2018	381.55	329.60	2,19,371	381.80	327.50	2502716

## 11. (b) Market Capitalization (₹)

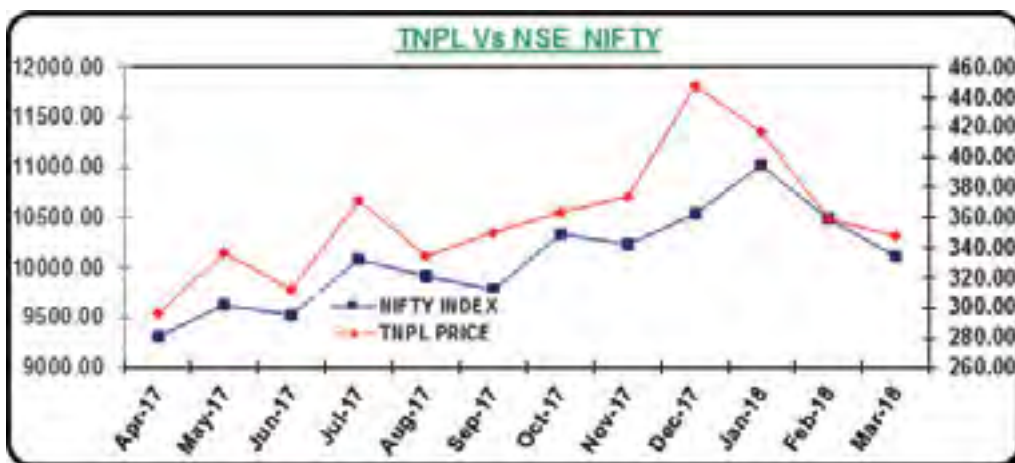
Market Capitalization	BSE	NSE
As on March 31, 2017	21,79,44,17,940	21,77,71,15,290
As on March 31, 2018	23,86,03,54,350	24,07,49,07,210

## 12. Share price performance in comparison to broad based indices – BSE Sensex and NSE Nifty : For the years 2016-17 to 2017-18:

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
2016-2017	(+)43.99	(+)16.88	(+)27.11	(+)44.00	(+)18.55	(+)25.46
2017-2018	(+) 9.48	(+)11.30	(-) 1.82	(+)10.55	(+)10.25	(+) 0.31
2016-2018	(+)57.64	(+)30.10	(+)27.54	(+)59.20	(+) 9.37	(+)49.38



Sensex and TNPL share prices are based on month end closing rates



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

13. 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
14. Share Transfer System:
- a) 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 twice/ thrice in a month. Shares under objection are returned within two weeks.
- b) 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.
- c) Payment of dividend through National Electronic Clearing Services (NECS) : As per RBI notification, with effect from 1<sup>st</sup> October 2009, the remittance of dividend through Electronic Clearing Service (ECS) is replaced by National Electronic Clearing Service (NECS).
- 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.
- d) 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 (IEPF) established by the Government. The Company will accordingly be required to transfer the dividend in the year 2018 for the year ended 31<sup>st</sup> March, 2011 which has remained unclaimed / unpaid. Before transferring the monies to IEPF, individual letters are sent to those Members whose unclaimed dividends are due for transfer so as to enable them to claim the dividends before the due date. The information on unclaimed dividend is also posted on the website of the Company [www.tnpl.com](http://www.tnpl.com).

Details of dividend pending to the Unpaid / Unclaimed Dividend Account as on 31<sup>st</sup> March, 2018:

Sl. No.	Year	Amount (₹)	% to the total dividend
1.	For the year 2010-11	10,78,475.00	0.31%
2.	For the year 2011-12	11,22,530.00	0.32%
3.	For the year 2012-13	12,84,995.00	0.37%
4.	For the year 2013-14	16,48,770.00	0.40%
5.	For the year 2014-15	16,50,012.00	0.40%
6.	For the year 2015-16	21,86,017.50	0.42%
7.	For the year 2016-17	26,09,115.00	0.50%

As regards unclaimed dividend, dividend warrants are sent to addresses available as per the company records. Where the shareholders have not informed the change of address to the company, 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 ₹
1. Dividend :- 2009-10 (Final)	09.09.2010	13.11.2017	08.11.2017	10,67,769.00
<b>TOTAL</b>				<b>10,67,769.00</b>

**Transfer of 'Underlying Shares' into Investor Education and Protection Fund (IEPF) (in cases where unclaimed dividends have been transferred to IEPF for a consecutive period of seven years)**

Pursuant to the provisions of Section 124 and 125 of the Companies Act 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to an IEPF suspense account. The Company, after following the statutory provisions, has transferred the shares on which dividend has not been paid/claimed for seven consecutive years or more. The details of shares transferred to IEPF Authority account are as follows:

Year	Shares transferred
2008-09	74545
2009-10	31051

The Company has also uploaded full details of such shares transfer as well as unclaimed dividends on the website of the company. Both the unclaimed dividends and the shares transferred to the IEPF can be claimed back by the concerned shareholders from IEPF Authority after complying with the prescribed procedure under the "Rules" as mentioned in the Guidelines below.

**Guidelines for Investors to file claim**

- Download the Form IEPF-5 from the website of IEPF (<http://www.iepf.gov.in>) for filing the claim for refund. Read the instructions provided on the website/instruction kit along with the e-form carefully before filling the form.
- After filling the form, save it on your computer and submit the duly filled form by following the instructions given in the upload link on the website. On successful uploading, an acknowledgement will be generated indicating the SRN. Please note down the SRN details for future tracking of the form.
- Take a print out of the duly filled IEPF-5 and the acknowledgement issued after uploading the form.
- Submit indemnity bond in original, copy of acknowledgement and self-attested copy of e-form along with the other documents as mentioned in the Form IEPF-5 to Nodal Officer (IEPF) of the company at its registered office in an envelope marked "Claim for refund from IEPF Authority".
- Claim forms completed in all aspects will be verified by the concerned company and on the basis of company's verification report, refund will be released by the IEPF Authority in favor of claimants' Aadhaar linked bank account through electronic transfer. The Nodal Officer of the Company for IEPF Refunds Process is Mr V. Sivakumar whose e-mail id is [sivakumar.vs@tnpl.co.in](mailto:sivakumar.vs@tnpl.co.in)

Members who have not encashed their dividend warrants in respect of dividends declared for the year ended 31<sup>st</sup> March 2011 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 Unpaid Dividend Account of respective year shall be transferred to Investor Education and Protection Fund (IEPF) in terms of Section 125 of the Companies Act, 2013.

- Correspondence regarding change of address:

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.



## g) 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.

**15. Dividend Details**

Financial Year	Dividend %	Total Dividend (₹ in Lakhs)
2013-14	60%	4152.64
2014-15	60%	4152.64
2015-16	75%	5190.80
2016-17	75%	5190.80
2017-18	50%	3460.53

**16. Distribution of Shareholding as on 31<sup>st</sup> March, 2018****DISTRIBUTION SCHEDULE AS ON 31<sup>ST</sup> MARCH 2018**

Category (Amount)	No. of. Cases	% of Cases	Total Shares	Amount	% of Amount
1 - 5000	27520	90.34	2969879	29698790	4.29
5001 - 10000	1413	4.64	1124791	11247910	1.63
10001 - 20000	672	2.21	1023722	10237220	1.48
20001 - 30000	240	0.79	608187	6081870	0.88
30001 - 40000	97	0.32	349039	3490390	0.50
40001 - 50000	103	0.34	485586	4855860	0.70
50001 - 100000	181	0.59	1345189	13451890	1.94
100001 - And Above	238	0.78	61304207	613042070	88.58
<b>Total</b>	<b>30464</b>	<b>100.00</b>	<b>69210600</b>	<b>692106000</b>	<b>100.00</b>

**DISTRIBUTION OF SHAREHOLDING AS ON 31.3.2018**

	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
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	405168	0.59
2.	Mutual Funds and UTI	40	11046063	15.96
3.	Banks, Financial Institutions, Insurance Companies, (Central/State Govt. Institutions/Non-Government Institutions)	19	12189940	17.61
4	Foreign Institutional Investors	Nil	Nil	Nil
5	FPI	47	6039721	8.73
	<b>SUB-TOTAL</b>	<b>107</b>	<b>29680892</b>	<b>42.88</b>
<b>C</b>	<b>OTHERS</b>			
1	Private Corporate Bodies	551	3962347	5.73
2	Indian Public	29115	10473554	15.13
3	NRIs/OCBs	485	356122	0.51
4	Others	205	292785	0.42
	<b>SUB-TOTAL</b>	<b>30356</b>	<b>15084808</b>	<b>21.80</b>
	<b>GRAND TOTAL (A+B+C)</b>	<b>30464</b>	<b>69210600</b>	<b>100.00</b>

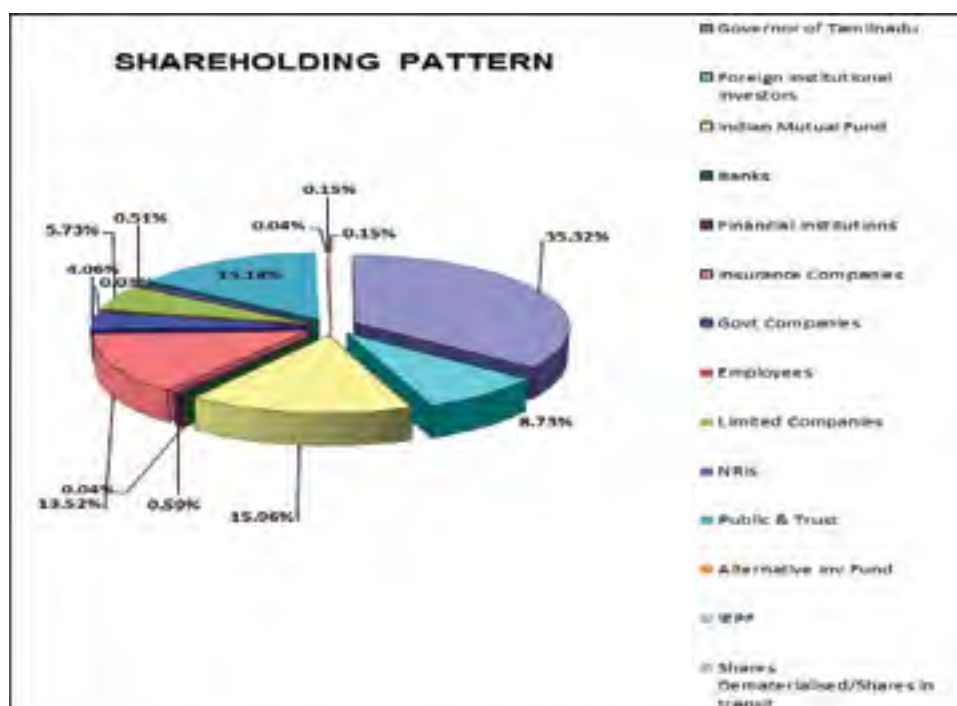
**LIST OF TOP TEN SHAREHOLDERS AS ON 31<sup>ST</sup> MARCH, 2018**

Sl. no.	Name of the Shareholder(s)	Shares	%
1	Governor of Tamil Nadu	24444900	35.32
2	Life Insurance Corporation of India	6305949	9.11
3	General Insurance Corporation of India	2110074	3.05
4	Sundaram Mutual Fund A/C Sundaram Rural India Fund	510442	0.74
	Sundaram Mutual Fund A/C Sundaram Value Fund - Series IX	50842	0.07
	Sundaram Mutual Fund A/C Sundaram Select Micro Cap Series - XVI	48240	0.07
	Sundaram Mutual Fund A/C Sundaram Select Micro Cap - Series - XVII	40620	0.06
	Sundaram Mutual Fund A/C Sundaram Value Fund - Series X	28915	0.04
	Sundaram Mutual Fund A/C Sundaram Long Term Micro Cap Tax Advantage Fund - Series - VI	26445	0.03
5	Government Pension Fund Global	1710000	2.47

Sl. no.	Name of the Shareholder(s)	Shares	%
6	HDFC Trustee Company Limited A/C HDFC Balanced Fund	3714400	5.36
	HDFC Trustee Co Ltd- HDFC Multiple Yield Fund- Plan 2005	25000	0.04
	HDFC Trustee Co Ltd A/C HDFC Retirement Savings Fund-Hybrid-Equity Plan	38000	0.05
	HDFC Trustee Co Ltd A/C HDFC Retirement Savings Fund-Hybrid-Debt Plan	5000	0.01
	HDFC Trustee Co Ltd A/C HDFC Retirement Savings Fund-Equity Plan	140000	0.20
	HDFC Trustee Company Ltd - HDFC Equity Saving Fund	185000	0.27
	HDFC Trustee Company Ltd - HDFC Premier Multi- Cap Fund	72500	0.10
7	Warburg Value Fund	1300000	1.88
8	L AND T MUTUAL FUND TRUSTEE LTD-L AND T EQUITY SAVINGS FUND	22700	0.03
9	United India Insurance Company Limited	444061	0.64
10	LAKSHMI CAPITAL INVESTMENTS LIMITED	620457	0.90

#### SHAREHOLDING PATTERN

SL. No.	Category	Shareholding Pattern As on 31 <sup>st</sup> March, 2018			Shareholding Pattern As on 31 <sup>st</sup> March, 2017		
		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 and Foreign Portfolio Investors	47	6039721	8.73	78	8499001	12.28
3	Indian Mutual Funds	40	11046063	15.96	32	4489111	6.49
4	Banks	5	27003	0.04	5	57871	0.08
5	Financial Institutions	1	405168	0.59	1	405168	0.59
6	Insurance Companies	5	9354357	13.52	5	9683509	13.99
7	Govt. Companies	9	2808580	4.06	9	2808580	4.06
8	Employees	116	21000	0.03	148	27000	0.04
9	Limited Companies	551	3962347	5.73	643	3493134	5.05
10	NRIs	485	356122	0.51	719	751748	1.09
11	Public & Trust	29120	10504884	15.18	30716	14328787	20.70
12	Alternative Inv. Fund	1	29127	0.04	-	-	-
13	IEPF	1	105596	0.15	-	-	-
14	Shares Dematerialised/Shares in transit	82	105732	0.15	101	221791	0.32
	<b>Total</b>	<b>30464</b>	<b>69210600</b>	<b>100.00</b>	<b>32458</b>	<b>69210600</b>	<b>100.00</b>

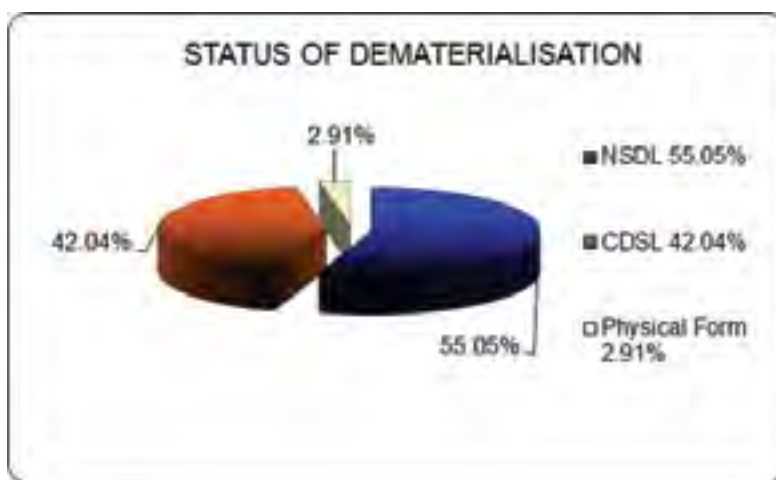


17. Dematerialisation of Shares and liquidity : For Dematerialisation of Equity shares, the Company has entered into a tripartite agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's Equity shares have been included in the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

Details of Physical & Demat shares as at 31<sup>st</sup> March, 2018:

Category	No. of Shareholders	No. of Shares	% to Capital
PHYSICAL	2911	2015055	2.91
NSDL	18281	38100568	55.05
CDSL	9272	29094977	42.04
<b>TOTAL</b>	<b>30464</b>	<b>69210600</b>	<b>100.00</b>

From the above table, as on 31<sup>st</sup> March 2018, there are 6,71,95,545 shares in demat form aggregating to 97.09% of the total Equity Share capital while 20,15,055 shares are in Physical form aggregating to 3.07% of the total Equity Share capital.



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

19. Credit Rating:

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

- I. Long term rating - (ICRA) **A** (Pronounced ICRA A)  
 II. Short term rating - (ICRA) **A2+** (Pronounced ICRA A two plus)

The outlook revised from 'Stable' to 'Negative'. 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) A2+' indicates strong degree of safety regarding timely payment of financial obligations, it carries low 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)  
 II. Short term facilities - CARE **A1** (Pronounced A one)

The outlook on long term rating is 'Stable'. 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.

20. Plant locations:

**UNIT I :**

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

**UNIT II :**

Mondipatti Village,  
 K. Periyapatti Post  
 Mannaparai Taluk,  
 Thiruchirapalli District,  
 Tamil Nadu – 621 306

21. 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 : sivakumar.vs @tnpl.co.in,  
 invest\_grievances@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

22. 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:
  - Name of Sole/First Joint holder and Folio number
  - 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.
- 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 125 of the Companies Act, 2013.

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

Year	Dividend type	Dividend (%)	Date of declaration	Due for transfer to IEPF
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
2014-15	Final	60	18.09.2015	23.11.2022
2015-16	Final	75	28.09.2016	03.12.2023
2016-17	Final	75	19.09.2017	24.11.2024

**B. NON-MANDATORY REQUIREMENTS****1. 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 Chairman is a non-executive director in the company appointed by the Tamil Nadu Govt. and office is maintained and expenses are borne by the Govt.

**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 having wide circulation. 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**

At the recommendations of the Audit Committee, the Board has appointed M/s. R Subramanian & Co., Chartered Accountants as its Internal Auditor for the year 2017-18, that Audits and reviews internal controls and operating systems and procedures of the Company.

The Internal Auditor may report directly to the Audit Committee and the report on findings of Internal Audit are submitted to the Audit Committee periodically. 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: 30.05.2018

**K GNANADESIKAN, IAS**  
CHAIRMAN

**CERTIFICATE BY CEO AND CFO PURSUANT TO REGULATION 17(8) OF SEBI  
(LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,  
The Board of Directors,  
Tamil Nadu Newsprint and Papers Limited

1. We have reviewed the financial statements and the cash flow statement for the year ended 31.03.2018 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 ended 31.03.2018 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 that 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 we have taken or propose to take to rectify these deficiencies
4. We have indicated to the Auditors and the Audit Committee:
  - a) that there are no significant changes in internal control over financial reporting during the year ended 31.03.2018;
  - b) that there are no significant changes in accounting policies during the year ended 31.03.2018; and
  - c) that there are no 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 : 30.05.2018

**S Sivashanmugaraja, IAS**  
MANAGING DIRECTOR

**V. Ramanathan**  
Executive Director (Finance) &  
Chief Financial Officer

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

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the period ended 31<sup>st</sup> March 2018.

For **TAMIL NADU NEWSPRINT AND PAPERS LIMITED**

Place: Chennai

Date : 30.05.2018

**K GNANADESIKAN, IAS**

CHAIRMAN

**AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE  
TO THE MEMBERS OF TAMIL NADU NEWSPRINT AND PAPERS LIMITED**

1. This certificate is issued in accordance with the terms of our engagement letter dated 18.8.2017.
2. We have examined the compliance of conditions of Corporate Governance by M/s. Tamil Nadu Newsprint and Papers Limited ("the Company"), for the year ended 31<sup>st</sup> March 2018 as stipulated in Regulations 17 to 27, clauses (b) to (i) of Regulation 46(2), and paragraphs C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations').

**Management's Responsibility**

3. The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listed Regulations.

**Auditors' Responsibility**

4. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
5. We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.
6. We have carried out an examination of the relevant records of the Company in accordance with the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India (the ICAI), the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, in so far as applicable for the purpose of this certificate and as per the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the ICAI which requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
7. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

**Opinion**

8. Based on the procedures performed by us and to the best of our information and according to the explanations provided to us, in our opinion, the Company has complied, in all material respects, with the conditions of corporate governance as stipulated in the Listing Regulations during the year ended 31<sup>st</sup> March 2018.
9. 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 BRAHMAYYA & CO.,**  
Chartered Accountants  
Firm Regn No: 000511S

**R. Nagendra Prasad**  
Partner  
Membership No. 203377

Place : Chennai  
Date : 30.05.2018



## ANNEXURE – VIII

### BUSINESS RESPONSIBILITY REPORT

#### FY 2017-18

#### Preface

Reporting on environmental and social parameters is on the rise. Growing expectations from internal as well as external stakeholders along with stringent norms is driving organizations to disclose their performance on economic, environmental and social aspects to understand the impacts caused by them in their day to day activities.

The Securities and Exchange Board of India (SEBI) in 2012 mandated the top 100 listed entities based on market capitalization at BSE and NSE to include 'Business Responsibility Report' as part of the annual report. Later in 2015, this got extended to the top 500 listed entities as per clause (f) of sub regulation (2) of regulation 34 of Listing Regulations of SEBI. This report outlines the TNPL's performance from the environmental, social and governance perspectives.

Our vision of being the market leader in manufacturing world-class eco-friendly Paper and Paper Boards is our internal driver for embedding sustainability into our daily practices.

Tamil Nadu Newsprint and Papers Limited (TNPL) being part of the top 500 listed entities, we have embarked on the journey of developing this business responsibility report based on the suggested framework of SEBI. We consider this as an opportunity to communicate our performance and progress across Environmental, Social and Governance aspects for the financial year (FY) 2017-18.

#### Section A: General Information about the Company

1. Corporate Identity Number (CIN) of the Company: L22121TN1979PLC007799
2. Name of the Company: Tamil Nadu Newsprint and Papers Limited
3. Registered address: 67, Mount Road, Guindy, Chennai- 600032.
4. Website: www.tnpl.com
5. E-mail id: invest\_grievances@tnpl.co.in
6. Financial Year reported: 2017-18
7. Sector(s) that the Company is engaged in (industrial activity code-wise):
  - i. Pulp, Paper & Paper Board – 4802
  - ii. Power Utility – 2716
  - iii. Cement Manufacturing – 2523
8. List three key products/services that the Company manufactures/provides (as in balance sheet)

Products	Services
Paper and Paperboard	Energy
Cement	

9. Total number of locations where business activity is undertaken by the Company
  - i. Number of International Locations (Provide details of major 5) – None
  - ii. Number of National Locations – Regd. Office – 1  
Factory / Mill – 2 Locations  
Branches – 7 Locations
10. Markets served by the Company – We serve the Local/ State/ National/International markets

#### Section B: Financial Details of the Company

1. Paid up Capital (₹ In Crore): 69.21
2. Total Turnover (₹ In Crore) – 3037.02
3. Total Profit/(Loss) after taxes (₹ In Crore) – (42.15)
4. Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) – We are committed to make growth more inclusive by focusing on the needs of our society and thereby creating a larger social value. We believe that working towards growth includes responding to its social responsibility. We have not spent 2% on the CSR activities in the respective year due to reasons mentioned in the Annual Report on CSR activities (Annexure I to Director's Report)

## 5. List of activities in which expenditure in 4 above has been incurred:

We have been working in the following areas for the benefit of communities.

- i. Education
- ii. Healthcare
- iii. Social development
- iv. Livelihood/Economic Improvement
- v. Environment & Sanitation
- vi. Culture and Heritage
- vii. Soil & Water conservation

**Section C: Other Details**

## 1. Does the Company have any Subsidiary Company/ Companies?

The Company does not have any Subsidiary

## 2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)

Since the Company does not have any Subsidiary, this is not applicable

## 3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No other entities that our Company does business with, participate in the BR initiatives of the Company

**Section D: BR Information**

## 1. Details of Director/Directors responsible for BR

## a) Details of the Director/Directors responsible for implementation of the BR policy/policies

Name	DIN Number	Designation
Mr. S. Sivashanmugaraja, IAS	06684301	Managing Director

## b) Details of the BR head

Sr.no	Particulars	Details
1.	DIN Number (if applicable)	06684301
2.	Name	Mr. S. Sivashanmugaraja, IAS
3.	Designation	Managing Director
4.	Telephone number	044-22354343/22354353
5.	e-mail id	mdoffice@tnpl.co.in

## 2. Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)

S No	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for	Y	Y	Y	Y	Y	Y	Y	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y The policies have been developed as per The Companies Act, 2013 and SEBI Listing Regulations. These are also on the lines of the 'National Voluntary Guidelines on Social, Environment, and Economic responsibilities of businesses' (NVG-SEE) established by the Ministry of Corporate Affairs, Government of India in 2011.								

S No	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
4	Has the policy been approved by the Board? Is yes, has it been signed by MD/owner/CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6	Indicate the link for the policy to be viewed online?*	Y	Y	Y	Y	Y	Y	Y	Y	Y
	Link for policies on our website provided below									
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8	Does the company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

\* The web link of various policies are as follows:

**Principle 1:** [http://www.tnpl.com/DisplayPage.aspx?file=code\\_of\\_conduct.htm](http://www.tnpl.com/DisplayPage.aspx?file=code_of_conduct.htm)

**Principle 2:** [http://www.tnpl.com/Policies/Forest\\_Policy.pdf](http://www.tnpl.com/Policies/Forest_Policy.pdf)

[http://www.tnpl.com/Policies/Energy\\_Management\\_Policy.pdf](http://www.tnpl.com/Policies/Energy_Management_Policy.pdf)

**Principle 3:** <http://www.tnpl.com/HRpolicy.pdf>

**Principle 4:** [http://www.tnpl.com/Policies/Dividend\\_Distribution\\_Policy\\_TNPL.pdf](http://www.tnpl.com/Policies/Dividend_Distribution_Policy_TNPL.pdf)

[http://www.tnpl.com/Policies/TNPL\\_FSC\\_Public\\_Policy.pdf](http://www.tnpl.com/Policies/TNPL_FSC_Public_Policy.pdf)

**Principle 5:** [http://www.tnpl.com/Policies/Policy\\_on\\_Sexual\\_Harassment.pdf](http://www.tnpl.com/Policies/Policy_on_Sexual_Harassment.pdf)

**Principle 6:** <http://www.tnpl.com/Environmentpolicy.pdf>

**Principle 7:** [http://www.tnpl.com/Policies/Policy\\_on\\_Responsible\\_Advocacy.pdf](http://www.tnpl.com/Policies/Policy_on_Responsible_Advocacy.pdf)

**Principle 8:** [http://www.tnpl.com/DisplayPage.aspx?file=corporate\\_social\\_responsibility.htm](http://www.tnpl.com/DisplayPage.aspx?file=corporate_social_responsibility.htm)

**Principle 9:** [http://www.tnpl.com/Policies/Quality\\_Policy.pdf](http://www.tnpl.com/Policies/Quality_Policy.pdf)

[http://www.tnpl.com/Policies/Customer\\_Care\\_Policy.pdf](http://www.tnpl.com/Policies/Customer_Care_Policy.pdf)

**2a. If answer to Sr. no 1 against any principle, is 'No', please explain why: (Tick up to 2 options): Not Applicable**

S No	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	Not Applicable								
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3	The company does not have financial or manpower resources available for the task									
4	It is planned to be done within next 6 months									
5	It is planned to be done within the next 1 year									
6	Any other reason (please specify)									

### 3. Governance related to BR

- Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company.

The Company's BR performance shall be assessed annually.

- Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Business responsibility report FY 16-17 was the TNPL's first report. The report was published along with our annual report and uploaded on the company's website. Going forward, we plan to publish the report annually.

\* The web link of BRR for FY 17-18 is as follows:

[http://www.tnpl.com/web\\_pdf\\_files/TNPL\\_AnnualReport-2017-18.pdf](http://www.tnpl.com/web_pdf_files/TNPL_AnnualReport-2017-18.pdf)

### Section E: Principle-wise performance

#### Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

At TNPL, we appreciate the value of responsible corporate governance, characterized by high standards to demonstrate transparency, reliability and ethical values. Constructed on a sound philosophy, ethics, values and accountability, our corporate governance ethos works within a culture that emphasizes a framework of conformance and compliance. Our governance framework is about maximizing shareholder value legally, ethically and sustainably.

#### Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Our policy relating to the above aspects cover only the Company. Our Code of Conduct shape the culture and reputation of the Company and serve as the groundwork in how we act and make decisions.

#### How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

During this reporting period, we have received three complaints from shareholders and the same have been resolved. We have not received complaints from any other stakeholders.

The Company Secretary is entrusted with the responsibility to look into the redressal of the shareholders and investors complaints and report the same to the Stakeholders Relationship Committee.

#### Principle 2: Sustainable products and services

It is our constant endeavor to embed sustainability into our products and services. Our prime focus for ensuring sustainability is to use environment friendly raw materials (bagasse – agricultural residue, waste paper and wood from social forestry and Captive and Farm Forestry model of plantations) for manufacture of paper, conservation of resources, minimization of air emissions and reducing wastes.

#### List up to 3 products or services whose design has incorporated social or environmental concerns, risks, and/or opportunities.

The Printing and Writing Paper (PWP) with the brand name Greenpal is produced using environmental friendly raw materials, bagasse (agricultural residue) and waste paper only. We do not use any wood pulp in the manufacture of paper. TNPL cement is produced by making use of solid wastes namely lime sludge and dry fly ash which is generated in the process of manufacturing of paper. Our wind farm produces 35.5 MW of green power and the same is exported to the state grid.

#### For each product, provide the following details in respect of resources (energy, water, raw material etc.) per unit of product.

We manufacture PWP, packing board and cement. The resources utilized per ton of product are as follows:

Product	Consumption per ton of production		
	Power / Steam	Water	Raw-material
Paper	1423 kWh	27 m <sup>3</sup> /MT	Fiber – 0.776 Tons/Tons
Packaging Board	502 kWh	11.8 m <sup>3</sup> /MT	Pulp – 0.851 Tons/Tons
Cement	120 kWh	–	Lime sludge 20919 Tons; Fly ash – 65902 Tons

**Does the company have procedures in place for sustainable sourcing(including transportation)?**

The company is sourcing wood through its Captive Plantation and Farm forestry model .

We have established a set of procedures for procuring bagasse, a primary raw material, in exchange of steam on barter basis from the sugar mills through entering into long term contracts. Pulpwood is procured from responsible plantation programmes covered by Forest Management Certification (FSC) which ensures that pulp wood procured for production of paper is sourced from the plantation which is managed socially and environmentally in a responsible way.

We have obtained a certificate from the Forest Stewardship Council Chain of Custody for our farm forestry and captive plantation. We have also received the Controlled Wood (CW) and Chain-Of-Custody (CoC) certification from Smart Wood programme/Rainforest Alliance, USA for complying with FSC-STD-40-004V2-1, FSC-STD-40-005V2-1 and FSC STD-40-007-V2-0 with validity period from July 21, 2015 to July 20, 2020.

We have raised pulp wood in 1,24,080 acres of land (as on 31.03.2018) covering various parts of Tamil Nadu under Farm forestry Scheme and captive plantation leading to about 40 lakh MT CO<sub>2</sub> sequestration.

The company has manufactured 85191 MT of deinked pulp from Post consumer and Pre consumer reclaimed material

**What percentage of the inputs were sourced sustainably?**

100% of raw materials required for manufacturing paper & board and cement are sourced sustainably.

**Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?**

Yes. In the farm forestry model, the company has engaged 24,179 farmers for sourcing of wood.

The company has sourced the post consumer material through local universities and department of Stationery and Printing and packing materials

We always give preference to the local and small vendors while sourcing materials wherever possible. We believe that such arrangements are not only beneficial to our operations but also enhances local employment and overall social and environmental well-being.

We have identified local suppliers to indigenize spares for machinery. We also encourage local contractors for doing small engineering works.

**Does the company have mechanism to recycle products and waste? If yes, what is the percentage of recycling waste and products?**

Reduce, Reuse and Recycle is the predominant methodology followed in the company. Lime Sludge and Fly ash management System (LSFM) is the best example to prove the recycling concept for the company. TNPL is the first paper company manufacturing Cement Globally.

Recycling of water is the next example to prove the recycling concept for the company. With maximum recycling the company has reduced the specific water consumption to the tune of about of 27 Kl per ton of product which is the lowest in integrated pulp and paper industry Globally.

TNPL fired 1.06 Lakh MT of Internally generated agro fuel such as Bagasse screw pith & fresh pith, Wood Bark and wood dust) in power boilers as a replacement for fossil fuels. TNPL cement plant used 44528 MT of lime sludge for cement production thereby conserving fresh lime stone from lime mining quarry. Also reused 65902 MT of fly ash for Cement production.

**Principle 3: Businesses should promote the wellbeing of all employees**

We comply with the applicable requirements regarding employee engagement covering collective bargaining, grievance redressal and other labour laws. To ensure well-being of our employees irrespective of whether they are permanent or contractual, we have taken conscious steps to implement relevant practices and processes for enhancing work place safety. We have engaged 181 female permanent/contract employees.

**Do you have an employee association that is recognized by management? What percentage of your permanent employees is member of this recognized member association?**

Yes, We, at TNPL, have developed a system of determining "Recognized Trade Unions" through secret ballot conducted once in 4 years. 97.66% of permanent employees are members of the trade unions.

**Please indicate the number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year**

During the reporting period there was no incidents of child labour, forced and involuntary labour, sexual harassment or any form of harassment.

**Policies and measures taken to prevent cases of Child Labour, Sexual Harassment and discriminatory employment**

**Prevention Child Labour**

The minimum age limit for recruitment is 18 years as stated in our Code of Conduct and the standing order which is extended to our suppliers and contractors.

**Prevention of Forced Labour / Involuntary Labour**

Forced Labour / Involuntary Labour is prohibited in the work place which covers contractors and suppliers as well. We have developed robust systems and process and have adopted good practices to address such incidents as per the statutory requirements.

**Prevention of Sexual Harassment**

We have constituted an Internal Complaints Committee (ICC) and have implemented a policy on prevention, prohibition and redressal of sexual harassment at workplace as per the provisions of the sexual harassment of women at workplaces including contractual women employees (Prevention, Prohibition and Redressal) Act, 2013 and Rules there under.

**Prevention of Discriminatory Employment**

As part of the employment practices and processes covering contractual work force, we follow policies which provide equal opportunities to all and do not discriminate based on caste, creed, gender, race and religion.

**What percentage of your under mentioned employees were given safety & skill upgradation training in the last year?**

- Permanent employees
- Permanent women employees
- Casual / Temporary / Contractual employees
- Employees with disability

All our employees have been given mandatory safety training, as part of our Company's protocol. Besides, we regularly impart safety training on any potential new processes implemented.

We have maintained an excellent safety record and have implemented systems with a strong focus on compliance and operational discipline, performance monitoring and enforcement of rules where necessary.

We have formulated an Occupational Health, Safety and accident prevention program at the facility. We conduct regular safety inspections and internal safety audits of hazardous process and chemical storages through qualified safety officers. To improve the safety aspects, we conduct safety committee meetings periodically and provide suggestions.

We conduct regular safety audits, Hazard and Operability Study (HAZOP), study and risk analysis through experts in industrial safety and ensure that the recommendations are implemented.

A training calendar is prepared at the beginning of each year to impart training to employees to meet the skill gaps and, development of their competencies. On the job training is provided to employees through the respective departmental personnel. Employees are also sent to different industrial organizations in the country to gain knowledge. The executives are also sponsored to attend seminars and workshops organized by leading institutions like IIMs, FICCI, NITIE, CII and NPC etc.

Details of training program conducted at the various levels of employees for the FY17-18 is summarized in the table below;

Sl. No.	Description	Emp. Strength	Safety Training		Skill Upgradation	
		Factory & LSFM	Man days	Percentage	Man days	Percentage
1	Permanent Employees (Men)	1890	603	32	1452	77
2	Permanent Employees (Women)	81	95	117	71	88
3	Casual/Temporary/Contractual employees	1231	273	22	0	0
4	Employees with Disability	13	7	54	8	62



**Principle 4: Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantage vulnerable, and marginalized.**

We are actively involved in developing and sustaining relationships with our key stakeholders. Our stakeholder engagement strategies have been designed in line with the needs of respective communities. Our engagement process with stakeholders serves a dual purpose of improved risk management to ensure better outcomes on the ground.

**Has the company mapped its internal and external stakeholders?**

Yes, we have mapped our internal and external stakeholders to include the following internal and external stakeholder groups.

Internal Stakeholders	External Stakeholders
Employees and Management	Suppliers and Vendors
	Customers
	Banks and Lending Institutions
	Government
	NGO
	Local Community / Society
	Shareholders

The Company's website [www.tnpl.com](http://www.tnpl.com) contains comprehensive information for the stakeholders about the Company. The Company also has designated an exclusive email-id for investor services – [invest\\_grievances@tnpl.co.in](mailto:invest_grievances@tnpl.co.in). The Company also promptly intimates the Stock Exchanges about all price-sensitive information or such other matters which in its opinion are material and of relevance to the stakeholders of the Company.

**Has the company identified the disadvantaged, vulnerable, and marginalized stakeholders?**

Yes. Our business operations have evolved balancing business principles and responsibility towards economic, environmental and social sustainability. Based on our socio-economic impact assessment studies, we have developed measures to identify, prioritize concerns of stakeholders coming from sections of society which are disadvantaged, vulnerable and marginalized. These stakeholders are children, differently abled people, unemployed youth, women and vulnerable farmers.

**Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.**

We have undertaken several programmes in the areas of Education, Healthcare, Social development, Livelihood and Economic improvement, Environment and Sanitation, Infrastructure, Soil and water conservation to support the disadvantaged, vulnerable and marginalized section of stakeholders. Educational assistance, free education, aid and appliances to differently abled sections of the society, medical camps, Health awareness camp, learning and development, cattle care and vaccination camps, Blood donation camp, Free Eye camp, Awareness camp on Health care and Anemia awareness camp for rural women and girls student are some of the initiatives we have undertaken in the current financial year.

**Principle 5: Businesses should respect and promote human rights**

**Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs/Others?**

Our policy on human rights is applicable to all our manufacturing facilities, off-sites at sugar mills/ wind farms, conversion centre of paper and paper board, corporate office and marketing branches across the country. Besides the above, other stakeholders viz. suppliers, vendors and surrounding residents can approach the senior management personnel and discuss about grievance, if any, relating to human rights.

**How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**

There have been no stakeholder complaints concerning violation of human rights received during the FY 2017-18. In case of violation, employees can lodge a formal complaint or avail the Grievance Redressal Mechanism, anonymously if required. The employee has freedom to address his grievance to his immediate seniors, if not resolved the same is referred to the Section head / HOD. If still the problem persists, the grievance is carried forward to the HR department. The other stakeholders can report complaints by approaching any authority in case of violation of human rights.

**Principle 6: Businesses should respect, protect, and make efforts to restore the environment****Does the policy related to Principle 6 cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**

Our environmental policy guides us in producing eco-friendly paper, improving environmental performance by investing in research and development, complying with regulations, enhancing environmental and social awareness among our work force and managing waste effectively. We encourage our suppliers and contractors to abide by all applicable laws including those related to environment.

**Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.?**

The following are the major activities taken to reduce the Global warming

**Biogas from Bagasse Wash water:** The company generated 63.26 lakh m<sup>3</sup> of biogas from Bagasse wash water. The captured biogas not only reduces the Green House Gas emission due to avoidance of methane to the atmosphere but also reduces the Green House Gas emission. The bio gas generated from the plant is being utilized to replace furnace oil consumption in lime kiln and power boilers resulting in reduction of fossil fuel consumption and thus GHG emissions for FY 2017-18.

Sl. No	Parameter	UOM	Value
1	Biogas Generated	Lakh m <sup>3</sup>	63.26
2	Furnace oil savings	KL	3724
3	Reduction in Green House Gas Emission	t CO <sub>2</sub> e	83314

**Generation of Power by Firing of Black liquor Solids :**

We have in place, the facility required for segregating lignin from biomass raw materials viz. hard wood and bagasse and utilizing the same as fuel in chemical recovery boiler to generate power through turbo generator. Following are the details on BLS utilization in steam generation and subsequent CO<sub>2</sub> emission reduction for FY 2017-18:

Sl. No	Parameter	UOM	Value
1	Black liquor Solid fired	MT	331393
2	Reduction in Green House Gas Emission	t CO <sub>2</sub> e	3.5 lakh

**TNPL Captive plantation and farm Forestry :** TNPL has raised plantation in 3365 acres of land in 2017-18 totaling about 1,24,080 acres of land as on 31.03.2018 covering various parts of Tamil Nadu under Captive and Farm Forest model. This has lead to carbon sequestration of 41.16 lakh MT.

**Usage of Carbon neutral Bio fuel :** The company is utilizing the internally generated agro fuel (i.e.) carbon neutral bio fuel like Bagasse Pith, wood dust and Wood Bark to operate our boilers fulfilling around 35% of our energy requirements from renewable sources.

Sl. No	Parameter	UOM	Value
1	Agro fuel	Lakh MT	1.07
2	Green House Gas Reduction	t CO <sub>2</sub> e	69386

**Wind Energy :** The company has installed 35.5 MW of Wind energy generators in Devarkulam and Perunkudi, Tamil Nadu. The electricity generated and the green house gas emission is presented in the below table.

Sl. No	Parameter	UOM	Value
1	Electricity Generation	Lakh KWh	515
2	Green House Gas Reduction	t CO <sub>2</sub> e	47947

**Utilization of lime sludge & fly ash in LSM:** The lime sludge generated in our soda recovery process and fly ash generated in our power boiler (both Unit-I and Unit-II) are utilized in manufacturing of cement. This served a dual purpose of fulfilling raw material requirement and effective waste management. The details for the year 2017-18 are presented in the below table.

Sl. No	Parameter	UOM	Value
1	Lime sludge utilization in cement manufacturing	MT	44528
2	Lime Stone Conserved	MT	24545
3	Fly utilization in cement manufacturing	MT	65902

**Does the company identify and assess potential environmental risks?**

Yes. At TNPL, we identify the potential environmental risks and have developed action plans to mitigate the same. For embedding the culture of effective environmental management, we have adopted the ISO 14001:2015 as Environmental Management System standard. As a part of this management system, a detailed impact assessment is conducted to identify all the environmental impacts of our operations. We identify and assess various risks being faced in our day-to-day activities and thereafter determine the responses to either mitigate the risk or eliminate it.

**Does the company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if yes, whether any environmental compliance report is filed?**

Yes, Four projects are registered under clean development projects. The annual Green House Gas emission from the four registered projects is 2,11,401 t CO<sub>2</sub> e

Sr. No	Project Title	Year of Registration	UNFCCC Ref. No.	Certified Emission Reduction (CER) per Year
1	Methane Extraction and Fuel Conservation Project at Tamil Nadu Newsprint and Papers Limited	2006	124	35,860
2	6.75 MW Small Scale Grid connected "Wind Electricity Generation Project" by Tamil Nadu Newsprint and Papers Limited	2007	1053	14,431
3	Energy Efficiency Improvement at Tamil Nadu Newsprint and Papers Limited	2011	4438	1,32,632
4	13.75 MW Grid connected "Wind Electricity generation Project by Tamil Nadu Newsprint and Papers Limited"	2012	5500	28,478

Environmental compliance report is filed as per the requirements of Pollution Control Boards (PCBs). More information on these projects can be availed on the webpage link: <http://www.tnpl.com/DisplayPage.aspx?file=CDMProject.html>

**Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.**

We have taken concerted efforts to incorporate new and better techniques which help us in enhancing our environmental performance.

Some of the initiatives taken in accordance to the parameters are listed below:

**• Clean technology**

**Unit I:**

Specific water consumption is reduced to 27 Kl per metric ton of paper through in-house activities recycling of water and waste water

"Elimination of Sulphuric Acid addition in HW ECF bleaching stage"

"Elimination of sodium Hydroxide in CBEF Oxygen Delignification stage"

## 1. Received

- 'GreenCO Gold Certification' in GreenCO Rating by Confederation of India(CII) .
- Forest Stewardship Council (FSC)  
Forest Management (FM) certificate  
FSC Chain of Custody (CoC) and Controlled wood certificate

## 2. Upgraded to 2015 version for

- Quality Management System (ISO 9001:2015)
- Environment Management System (ISO 14001:2015)

The Certificates can be availed on the link below.

**QMS:** [http://www.tnpl.com/web\\_pdf\\_files/TNPL\\_ISO\\_9001-2015\\_Certificate.pdf](http://www.tnpl.com/web_pdf_files/TNPL_ISO_9001-2015_Certificate.pdf)

**EMS:** [http://www.tnpl.com/web\\_pdf\\_files/TNPL\\_ISO\\_14001-2015\\_Certificate.pdf](http://www.tnpl.com/web_pdf_files/TNPL_ISO_14001-2015_Certificate.pdf)

**FSC:** [http://www.tnpl.com/web\\_pdf\\_files/FSC%20COC%20Certificate.pdf](http://www.tnpl.com/web_pdf_files/FSC%20COC%20Certificate.pdf)

**Unit II:**

- 1) Fresh water consumption per ton of Board production was reduced to 11.8 m<sup>3</sup>/T through close looping and reusing the back water.
- 2) Fiber loss reduction, to 0.5 - 0.8% on production, through internal process improvements and control.
- 3) Recycled 100 m<sup>3</sup> of treated effluent for internal plant reuse and remaining entire treated waste water is utilized for plantation of 624 acres (Green Belt Development) with drip irrigation system in and around the plant.
- 4) Utilized primary sludge from Effluent Treatment Plant for sundried board manufacturing and secondary sludge for plantation as manure.
- 5) Utilized Fly Ash and Coating sludge generated from the plant for cement manufacturing.
- 6) Equipped the Unit with a 30 MW capacity cogeneration plant to meet the electrical and heat energy requirements.
- 7) Equipped the Unit with 2x90 Tonnes per hour high pressure Atmospheric Fluidised Bed Combustion (AFBC) Boiler having Electrostatic Precipitators (ESPs) operating with an efficiency of 99.99%.

- **Energy Conservation and Renewable Energy**

**Unit I: Paper Plant:**

- 1) Consumption of bio-fuel and bio-gas accounts for 35% of the total energy conserved during the year.
- 2) PAT-I Cycle details: Under the Perform Achieve Trade (PAT) Scheme, received 4,969 Energy Saving Certificates towards actual specific energy consumption - which is lower than the notified specific energy conservation 0.530 TOE/MT against the target SEC of 0.550 TOE /MT
- 3) Under PAT –II Cycle : 2014-15 Specific Energy consumption is taken as a Base line for the PAT-II. After the I Cycle three years 2015-16, 16-17 & 17-18 is over. Now PAT-II Target year will be 2018-19. The Specific Energy base line figure for the TNPL is 0.7680 TOE/MT of paper (after normalization). The Target SEC for TNPL is 0.7234 TOE/MT of paper.
- 4) TNPL Implemented 22 Energy conservation measure by investing INR 152.13 lakhs in FY 2017-18 thereby saving electrical energy equivalent to 24.98 lakh KWh and thermal energy equivalent to 2,417 MT of imported coal and 3,760 KL of furnace oil.
- 5) Received Excellent Energy Unit Certificate consistently for the fourth time by CII for the FY 2015-16.
- 6) Imported coal savings of 319 MT by using biogas power boilers for the FY 2017-18

**Unit II: Packaging Board:**

- 1) Installed planetary gear boxes by replacing conventional gear boxes thereby reducing transmission losses.
- 2) Installed Light Emitting Diode (LED) street lights along internal roads and approach roads.

**LSFM:**

- 1) Optimized coal consumption in kiln and pre-calciner firing by adjusting the temperature and reduced coal consumption from 120 kg to 100 kg per MT of clinker.

- **Water Conservation and Waste Management**

**Paper Plant:**

- 1) Implemented water conservation projects and kept water consumption at 27 m<sup>3</sup> per MT of paper .
- 2) Expand cement plant capacity to 900 TPD to utilize the inorganic wastes generated viz. lime sludge and fly ash.
- 3) Utilized all organic wastes such as fresh pith, screw pith, wood dust, wood bark (partial) as fuel in power boilers.

**LSFM:**

- 1) CO<sub>2</sub> emissions from cement mill are used in Precipitated Calcium Carbonate (PCC) plant set up adjacent to the cement mill.

- **Other Initiatives**

- 1) Erected wind barriers to avoid dust pollution in nearby areas.
- 2) Used water sprinklers for suppressing the floating dust emitted from LSFM campus.
- 3) Extended the green belt coverage.

**Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**

**Air emissions:** The stack emission air qualities at all chimneys are monitored as prescribed by the PCB. The ambient air quality is continuously monitored online through Continuous Ambient Air Quality Monitoring System (CAAQMS) as per the requirement of PCB. The air quality levels are well within the standards and limits prescribed by the PCBs.

**Effluents:** The effluent treatment plant installed at the factory works effectively in meeting the regulatory norms prescribed by the PCBs. The treated water is discharged for irrigation through Treated Effluent Water Lift Irrigation Society scheme (TEWLIS).

**Solid waste:** The solid waste generated at the factory and the housing colony is disposed off as per the guidelines prescribed by the PCBs

**Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

We ensure that the emissions and waste generated by us at our various locations is well below the limits given by CPCB and State Pollution Control Board (SPCB). We have not received any show cause notices from either CPCB or SPCB in the reporting year.

**Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner**

**Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:**

We are members of the following associations through which we actively participate for overall development of the industry.

- a) IPMA – India Paper Manufacturers Association
- b) CII – Confederation of Indian Industries
- c) FIEO – Federation of Indian Export Organizations
- d) CAPEXIL – Chemicals & Allied Products Export Promotion Council
- e) Andhra Chamber of Commerce
- f) IMPA – Indian Paper Mills Association

**Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

As a member of various associations, our efforts have been to make a difference in the areas of economic/tax reforms, inclusive development policies, energy security, water availability/management & sustainability issues, sustainable business principles and environmental policy.

As a part of the Indian Paper Mills Association (IMPA), we have supported the initiative of using degraded land for plantation of eucalyptus trees to source wood for our paper production.

**Principle 8: Businesses should support inclusive growth and equitable development.**

Our strategy towards inclusive growth ensures the equitable distribution of economic benefits. We have been able to achieve this by creating productive economic opportunities and upliftment of the poor vulnerable sections of the society.

**Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.**

Our focus areas for the FY 2017-18 were primarily Education, Health, Social development, Livelihood and Economic Improvement, Environment and Sanitation, Culture and Heritage, Industrial Training, Infrastructure and other miscellaneous welfare activities to the rural people.

**Industrial Training:**

Since August 2014, we have initiated an Industrial Training Institute in affiliation with National Council for Vocational Training (NCVT) and the Quality Council of India (QCI). The programme is conducted at the premises of our township area covering four trades, instrument mechanics, Fitter, Electrician and welding. During 2016, our initiative has been recognized by the Government in 53<sup>rd</sup> state level skill competition, where in one of our ITI student was selected as state best trainee in the trade of electrician. During the year 2017, our ITI Student in the trade of Instrument – Mechanic was selected as State level first Rank / Best Trainee in the State level Skill competition 2017.

**Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?**

We carry out our community welfare initiatives with the support of our trust the "TNPL Arakkodai Trust". It mainly covers the Education, Health, Social Development, Livelihood and Economic Improvement, Security, Environment & Sanitation, Culture & Heritage and Industrial Training sectors. We also collaborate with different partners such as esteemed educational institutions, various Government bodies and donor agencies to fulfill our community development objectives. Majority of the administrative and supporting efforts are carried out by our in-house team / representatives.

**Have you done any impact assessment of your initiative?**

In the year 2016, we engaged an external agency to conduct a CSR Audit. Based on the audit observations we have developed an action plan in place to carry out the improvements necessary in terms of our implementation, budget and mechanism of receiving feedback on various initiatives from the stakeholders. Fresh social impact assessment study will be conducted shortly.

**What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

During 2017-18, TNPL has spent ₹ 2.55 crore for Corporate Social Responsibility (CSR) activities.

Sr. No.	Sector in which the project or activity is covered	Amount spent (₹ In lakhs)
1	Education	91.82
2	Health Care	32.62
3	Social Development	53.58
4	Livelihood And Economic Improvement	24.81
5	Environment And Sanitation	32.68
6	Culture And Heritage	19.26
7	Soil And Water Conservation	0.45
	<b>TOTAL</b>	<b>255.22</b>

**Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.****Community Needs Assessment and On-going Review:**

Yes, prior to initiating a project we carry out a needs assessment survey. As a part of the survey we invite proposals from eight of the adjacent town panchayats and 5 village panchayats. The senior executives from the CSR team evaluate the needs of the panchayats. After due considerations, a final proposal is drawn for and placed before the CSR Committee comprising of independent Directors for consideration and approval.



Additionally, we also have a review mechanism to ensure the benefits of our initiatives are widespread and are recorded as per actuals. The key milestones, expected results and outcome have been mapped for each initiative. The strategic planning, implementation, evaluation and review will thus ensure wider outreach across each of our projects.

**Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner.**

**What percentage of customer complaints / consumer cases are pending as on the end of the financial year?**

Nil

**Does the company display product information on the product label, over and above what is mandated as per local laws? Yes / No / N.A. / Remarks (additional information)**

In case of paper and paperboard, we display relevant product information (environment friendly aspect) on the packaging material to ensure safe and appropriate use besides complying with the statutory requirements. For cement, we display the product information mandated by the Bureau of Industrial Standards. Product labeling is done in compliance with the requirements regarding brand name, weight, grade, name of the manufacturer etc.

**Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and / or anti-competitive behavior during the last five years and pending as on end of financial year. If so provide details thereof, in about 50 words or so.**

No case has been filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising / or anti-competitive behavior during the last five years and pending as on end of the financial year.

**Did your company carry out any consumer survey / consumer satisfaction trends?**

We have implemented Customer Satisfaction Index aligned to applicable global standards for paper and paper board. On a scale of "10" we have been scored on the higher side consistently for the last four years. During the financial year 2016 – 17, we scored 7.7 and for the year 2017-18, we scored 8.9

### NVG Mapping

Principle	Description	NVG Mapping	GRI Mapping (attempted)
Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.	Pg. 110	G4-34
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.	Pg. 110-111	G4-EC9, G4-EN27, G4-12
Principle 3	Businesses should promote the wellbeing of all employees.	Pg. 111-112	G4-LA2, G4-LA9
Principle 4	Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.	Pg. 113	G4-24, G4-26
Principle 5	Businesses should respect and promote human rights.	Pg. 113	G4-HR2, G4-HR5, G4-HR6
Principle 6	Business should respect, protect, and make efforts to restore the environment.	Pg. 114-117	G4-EN3, G4-EN6, G4-EN16, G4-EN19, G4-EN23
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.	Pg. 117	G4-15, G4-16
Principle 8	Businesses should support inclusive growth and equitable development	Pg. 118-119	G4-SO1
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner.	Pg. 119	G4-PR1, G4-PR3, G4-PR5, G4-PR8

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TAMIL NADU NEWSPRINT AND PAPERS LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **M/s. Tamil Nadu Newsprint and Papers Limited** [‘the Company’] which comprise the Balance Sheet as at **31<sup>st</sup> March 2018** and the Statement of Profit and Loss [including other comprehensive income], the statement of Cash Flows and the statement of changes in equity for the year then ended and a summary of significant accounting policies and other explanatory information [hereinafter referred to as “financial statements”].

### **Management's Responsibility for the 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 financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards [Ind AS] specified under Section 133 of the Act, read with relevant rules issued in the Companies (Indian Accounting Standards) Rules, 2015.

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 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. In conduction of 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.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 [10] of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 controls relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. 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 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 financial statements.

### **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 including Ind AS, of the financial position of the Company as at **31<sup>st</sup> March 2018**, and its financial performance including other comprehensive income, its Cash Flows and the changes in equity 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, 2016 ["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, the statement of Cash Flows and the Statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with relevant rule issued in the Companies [Indian Accounting Standards] Rules, 2015;
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2018, from being appointed as a director in terms of Section 164[2] of the Act and;
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls as required under Clause [i] of Sub-section 3 of Section 143 of the Companies Act, 2013, we give in the "Annexure B" our report on Internal Financial Controls of the Company for the year ended 31<sup>st</sup> March 2018 and
  - g) 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 financial statements as referred to in Note No. 39 [A] to the 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. 41 to the 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 **BRAHMAYYA & CO.,**  
**CHARTERED ACCOUNTANTS**  
 Firm Regn. No: 000511S

Date : 30.05.2018  
 Place : Chennai

**R. Nagendra Prasad**  
 Partner  
 Membership No. 203377

**“Annexure A” to the Independent Auditor’s Report of even date on the financial statements of  
M/s. Tamil Nadu Newsprint and Papers Limited**

No.	Compliance	Comments
01	Whether the company has clear title/lease deeds for freehold and leasehold land respectively? If not please state the area of freehold and leasehold land for which title/lease deeds are not available.	All title deeds of the immovable properties are held by the Company except Land (extending about 10 grounds and 425 square feet) on which the Corporate Office of the Company functioning at Chennai. The transfer of title of the said land by the Government of Tamil Nadu in favour of the Company is yet to be done pending completion of necessary formalities.
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	Whether the Company’s pricing policy absorbs all fixed and variable costs of production as well as the allocation of overheads?	Yes
05	Whether the Company has fixed norms for normal losses and a system for evaluation of abnormal losses for remedial action is in existence?	Yes
06	What is the system of valuation of by-products and finished products? List out the cases of deviation from its declared policy	Finished goods at factory are measured at lower of cost which includes cost of inputs (net of taxes and duties eligible for credits) and overheads and net realizable value. Finished goods at branches are valued on the above basis and also include transportation cost to branches and insurance cost.
07	State the extent of utilization of plant and machinery during the year vis-à-vis installed capacity	Paper – 88.49% Packaging Board – 70.93%
08	Whether the Company has effective system for physical verification, valuation of stock, treatment of non-moving items and accounting of effect of shortage / excess noticed during physical verification	Yes. The company has effective system of physical verification, valuation of stock and a policy for treatment of non-moving items and accounting of effect of shortage / excess noticed during physical verification.

## **“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statement of M/s. Tamil Nadu Newsprint and Papers Limited**

### **Report on the Internal Financial Controls under Clause [i] of Sub-section 3 of Section 143 of the Companies Act, 2013**

We have audited the internal financial controls over financial reporting of **M/s. Tamil Nadu Newsprint and Papers Limited** [“the Company”] as of **March 31, 2018** in conjunction with our audit of the financial statements of the Company for the year ended on that date.

#### **Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria that are established by the Company in their separate internal control manuals considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting [“the Guidance Note”] and the Standards on Auditing, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under Section 143 [10] of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

#### **Meaning of Internal Controls over Financial Reporting**

A Company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company’s internal financial control over financial reporting includes those policies and procedures that [1] pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; [2] provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company and [3] provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

**Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operative effectively as at **March 31, 2018**, based on the internal control over financial reporting criteria that are established by the Company in their separate internal control manuals considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **BRAHMAYYA & CO.,**  
**CHARTERED ACCOUNTANTS**  
 Firm Regn. No: 000511S

**R. Nagendra Prasad**  
 Partner  
 Membership No. 203377

Place : Chennai

Date : 30.05.2018

### **Annexure to the Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31<sup>st</sup> March 2018, 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 –

- (i) (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. The discrepancies noticed on such verification were not material;
- (c) All title deeds of the immovable properties are held by the Company except Land (extending about 10 grounds and 425 square feet) on which the Corporate Office of the Company functioning at Chennai. The transfer of title of the said land by the Government of Tamil Nadu in favour of the Company is yet to be done pending completion of necessary formalities.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, Immovable properties of land whose title deeds have been pledged with a lead bank as securities for term loans and other credit facilities availed by the company the same are stated to have been held in the name of the company based on the mortgage deed executed between the Bank and the Company for which confirmations have been obtained from the lead bank.

- (ii) As explained to us, the inventories have been physically verified during the year by the management. The discrepancies noticed on physical verification of the same were not material in relation to the operations of the Company and the same have been properly dealt with in the books of account;



- (iii) In our opinion and according to the information and explanations given to us, the company has not granted any loans secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, clauses (iiia), (iiib) and (iiic) of paragraph 3 of the Order are not applicable to the company for the year;
- (iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees and securities granted in respect of which the provisions of section 185 and 186 of the Act are applicable.
- (v) The Company has not accepted any deposit to which the provisions of Sections 73 to 76 of the Act and The Companies (Acceptance of Deposits) Rules, 2014 would apply. As informed to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal related to compliance with above provisions.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 prescribed by the Central Government under section 148(1) of the Act and are of the opinion that prima-facie, the prescribed accounts and cost records have been made and maintained. We have not, however, made a detailed examination of the cost records with a view to determining whether they are accurate or complete;
- (vii) (a) According to the information and explanations given to us and the records examined by us, the Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, sales-tax, service tax, Goods and Services Tax, duty of customs, duty of excise, value added tax, cess and other statutory dues and there are no undisputed statutory dues outstanding as at 31<sup>st</sup> March 2018, for a period of more than six months from the date they became payable.
- (b) According to the records of the company and information and explanations given to us, there are no outstanding amounts in respect of service tax, goods and services tax that have not been deposited with the appropriate authorities on account of any dispute. Disputed income tax, value added tax, duty of customs, duty of excise that have not been deposited on account of disputed matters pending before appropriate authorities are as under:

Name of the Statute	Nature of Dues	Period to which the amount pertains	Amount [₹ Lakhs]	Forum where the dispute is pending
Cenvat credit Rules, 2004	Input credit reversal	1997-2002	63.18	Customs, Central Excise and Service Tax Settlement Commission, Chennai
Cenvat credit Rules, 2004	Capital goods Credits	2003-2007 2008-2011	19563.86	Commissioner of Central Excise, Trichy
Cenvat credit Rules, 2004	Capital goods Credits	2008-2009	12.68	Hon'ble High Court of Madras
Cenvat credit Rules, 2004	Input credit reversal	2009-2015 2016-2018	1532.37	The Customs, Excise and Service Tax Appellate Tribunal, Chennai
Cenvat credit Rules, 2004	Input credit reversal on coal	2013-2018	2568.98	The Customs, Excise and Service Tax Appellate Tribunal, Chennai
Cenvat credit Rules, 2004	Input credit reversal on coal	2015-2018	167.67	Commissioner of Central Excise (Appeals), Trichy

Name of the Statute	Nature of Dues	Period to which the amount pertains	Amount [₹ Lakhs]	Forum where the dispute is pending
Customs Act, 1962	Customs Duty	1991-1992 1999-2000 1991-1992 1997-1998 2014-2015	281.14	Commissioner of Customs, Chennai
Customs Act, 1962	Customs Duty	1999-2000	20.44	Commissioner of Customs, Cochin
Customs Act, 1962	Custom Duty	2000-2001	217.39	Hon'ble Supreme Court
Customs Act, 1962	Custom Duty	2012-2013	2180.99	The Customs, Excise and Service Tax Appellate Tribunal referred to the Larger bench
Income Tax Act, 1961	Income Tax	2002-2003 2006-2008 2016-2017	213.53	Assessing Officer, Chennai
Income Tax Act, 1961	Income Tax	2003-2004	612.81	Commissioner of Income Tax (Appeals) & Assessing Officer, Chennai
Income Tax Act, 1961	Income Tax	2004-2005 2009-2010 2012-2013	976.98	Income Tax Appellate Tribunal, Chennai
Income Tax Act, 1961	Income Tax	2013-2015	542.45	Commissioner of Income Tax (Appeals), Chennai
Wealth Tax Act, 1957	Wealth Tax	1997-2000 2001-2003	19.46	Commissioner of Income Tax (Appeals), Chennai
TNVAT ACT, 2006	Value Added Tax	2006-2013	741.37	Sales Tax Appellate Tribunal, Madurai
TNVAT ACT, 2006	Value Added Tax	2015-2016	15.38	Deputy Commissioner (Appeals), Trichy
CST ACT, 1956	Central Sale Tax	1997-2001	42.71	Sales Tax Appellate Tribunal, Madurai

(viii) According to the information and explanations given to us, the company has not defaulted in repayment of any loans or borrowings from banks or financial institutions. The company has not issued any debentures and has not borrowed any amount from financial institutions and Government during the year under report;

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments). Term Loans from banks have been applied for the purpose for which they were obtained.

- (x) To the best of our knowledge and belief and according to the information and explanations given to us, there have been no cases of fraud by the company or on the company by its officers or employees has been noticed or reported during the year under report.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with them. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

For **BRAHMAYYA & CO.,**  
**CHARTERED ACCOUNTANTS**  
Firm Regn. No: 000511S

**R. Nagendra Prasad**  
Partner  
Membership No. 203377

Place : Chennai

Date : 30.05.2018

**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 31<sup>st</sup> MARCH 2018.**

The preparation of financial statements of Tamil Nadu Newsprint and Papers Limited for the year ended 31<sup>st</sup> March 2018 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 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 30-05-2018.

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<sup>st</sup> March 2018. 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: 09.08.2018

**R. THIRUPPATHI VENKATASAMY**  
Accountant General

This page has been intentionally left blank

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH 2018****(₹ in Lakh)**

Sl. No.	Particulars	Note No	As at 31/03/2018	As at 31/03/2017
<b>I</b>	<b>ASSETS</b>			
<b>1)</b>	<b>Non-current assets</b>			
	(a) Property, plant and equipment	4	<b>404039.95</b>	407260.05
	(b) Capital work-in-progress	5	<b>1813.68</b>	5902.43
	(c) Investment property	6	<b>531.82</b>	533.80
	(d) Intangible assets	7	<b>2515.17</b>	2101.07
	(e) Biological assets other than bearer plants	8	<b>710.55</b>	804.10
	(f) Financial assets			
	i) Investments	9	<b>103.12</b>	107.18
	ii) Loans	10	<b>7693.99</b>	8496.15
	(g) Other non-current assets	11	<b>143.93</b>	2202.22
	<b>Total Non-Current Assets</b>		<b>417552.21</b>	427407.00
<b>2)</b>	<b>Current Assets</b>			
	(a) Inventories	12	<b>48417.33</b>	57132.99
	(b) Financial assets			
	i) Trade receivables	13	<b>59876.19</b>	53393.57
	ii) Cash and cash equivalents	14	<b>2720.13</b>	2144.62
	iii) Loans	15	<b>3735.26</b>	2883.25
	(c) Other current assets	16	<b>20142.54</b>	20477.81
	(d) Assets held for sale	16 A	<b>22.00</b>	0.00
	<b>Total current assets</b>		<b>134913.45</b>	136032.24
	<b>Total Assets</b>		<b>552465.66</b>	563439.24
<b>II</b>	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	(a) Equity share capital	17	<b>6937.78</b>	6937.78
	(b) Other equity	18	<b>153375.03</b>	163527.46
	<b>Total Equity</b>		<b>160312.81</b>	170465.24
	<b>LIABILITIES</b>			
<b>1)</b>	<b>Non-current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	19	<b>145032.48</b>	165212.42
	(b) Provisions	20	<b>11007.75</b>	10490.52
	(c) Deferred tax liabilities (net)	21	<b>22166.48</b>	20583.26
	(d) Other non-current liabilities	22	<b>31.39</b>	32.81
	<b>Total non-current liabilities</b>		<b>178238.10</b>	196319.01
<b>2)</b>	<b>Current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	23	<b>50856.84</b>	74258.82
	(ii) Trade payables	24	<b>76866.27</b>	54113.68
	(iii) Other financial liabilities	25	<b>60441.58</b>	56827.89
	(b) Other current liabilities	26	<b>23139.80</b>	8183.12
	(c) Provisions	27	<b>2367.75</b>	1673.36
	(d) Current tax liabilities (net)		<b>242.51</b>	1598.12
	<b>Total current liabilities</b>		<b>213914.75</b>	196654.99
	<b>Total equity and liabilities</b>		<b>552465.66</b>	563439.24

Note No. 1 to 43 are forming part of financial statements

**K. GNANADESIKAN, IAS**  
CHAIRMAN  
(DIN- 00111798)

**S. SIVASHANMUGARAJA, IAS**  
MANAGING DIRECTOR  
(DIN- 06684301)

**V. RAMANATHAN**  
EXECUTIVE DIRECTOR (FINANCE) &  
CHIEF FINANCIAL OFFICER

vide our report of even date  
**For BRAHMAYYA & CO.**  
CHARTERED ACCOUNTANTS  
Firm Reg. No: 000511S

Place : Chennai  
Date : 30.05.2018

**V. SIVAKUMAR**  
COMPANY SECRETARY

**R. NAGENDRA PRASAD**  
Partner  
Membership No: 203377



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2018****(₹ in Lakh)**

SI No.	Particulars	Note No	For the year ended 31/03/2018	For the year ended 31/03/2017
<b>I</b>	<b>INCOME</b>			
	REVENUE FROM OPERATIONS	28	<b>312510.30</b>	310177.14
	OTHER INCOME	29	<b>3360.25</b>	3695.45
	<b>TOTAL INCOME (I)</b>		<b>315870.55</b>	313872.59
<b>II</b>	<b>EXPENSES</b>			
	Cost of materials consumed	30	<b>133323.42</b>	108249.34
	Purchase of stock-in-trade	31	<b>16834.63</b>	9447.02
	Changes in inventories of finished goods, work-in-progress & Stock-in-Trade	32	<b>11095.92</b>	(11311.98)
	Excise duty		<b>2677.02</b>	14421.09
	Employee benefit expense	33	<b>24634.26</b>	24685.16
	Finance costs	34	<b>24463.27</b>	25202.13
	Depreciation & amortization expense	35	<b>22183.28</b>	20767.86
	Power, fuel & water charges		<b>45653.66</b>	52041.73
	Other expenses	36	<b>37803.82</b>	39749.42
	<b>TOTAL EXPENSES (II)</b>		<b>318669.28</b>	283251.77
<b>III</b>	<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX (I - II)</b>		<b>(2798.73)</b>	30620.82
<b>IV</b>	<b>Exceptional Items</b>		-	-
<b>V</b>	<b>PROFIT/(LOSS) BEFORE TAX ( III-IV )</b>		<b>(2798.73)</b>	30620.82
<b>VI</b>	<b>TAX EXPENSE</b>	37		
	- Current tax		<b>0.00</b>	6587.00
	- Deferred tax / MAT credit entitlement		<b>1416.00</b>	(2205.00)
	- Income-tax relating to previous year		<b>0.72</b>	(217.57)
			<b>1416.72</b>	4164.43
<b>VII</b>	<b>PROFIT / (LOSS) FOR THE PERIOD (V -VI)</b>		<b>(4215.45)</b>	26456.39
<b>VIII</b>	<b>OTHER COMPREHENSIVE INCOME</b>			
	<b>A (i) Items that will not be reclassified to Profit or Loss</b>		<b>189.18</b>	(551.16)
	(ii) Income tax relating to items that will not be reclassified to Profit or Loss		<b>(66.88)</b>	190.74
	<b>B (i) Items that will be reclassified to profit or loss</b>		<b>287.85</b>	(524.38)
	(ii) Income tax relating to items that will be reclassified to profit or loss		<b>(99.62)</b>	181.48
			<b>310.53</b>	(703.32)
<b>IX</b>	<b>TOTAL COMPREHENSIVE INCOME ( VII + VIII)</b>		<b>(3904.92)</b>	25753.07
<b>X</b>	<b>EARNINGS PER EQUITY SHARE OF ₹ 10 EACH (EPS)</b>			
	- Basic & Diluted (₹)		<b>(6.09)</b>	38.23

Note No. 1 to 43 are forming part of financial statements

**K. GNANADESIKAN, IAS**  
CHAIRMAN  
(DIN -00111798 )

**S. SIVASHANMUGARAJA, IAS**  
MANAGING DIRECTOR  
(DIN- 06684301)

**V. RAMANATHAN**  
EXECUTIVE DIRECTOR (FINANCE) &  
CHIEF FINANCIAL OFFICER

vide our report of even date  
**For BRAHMAYYA & CO.**  
CHARTERED ACCOUNTANTS  
Firm Reg. No: 000511S

**R. NAGENDRA PRASAD**  
Partner  
Membership No: 203377

Place : Chennai  
Date : 30.05.2018

**V. SIVAKUMAR**  
COMPANY SECRETARY

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018****(₹ in Lakh)**

Sl. No.	Particulars	2017-18	2016-17
<b>A</b>	<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
	<b>PROFIT/(LOSS) BEFORE EXCEPTIONAL ITEMS AND TAX</b>	<b>(2798.73)</b>	30620.82
	Adjustments for :		
	Depreciation and amortisation	<b>22183.28</b>	20767.86
	Interest Income	<b>(1960.57)</b>	(1405.61)
	Provision for impairment of assets held for sale	<b>29.90</b>	0.00
	Rental Income	<b>(117.53)</b>	(113.37)
	(Profit)/Loss on write off/ sale of Fixed Assets	<b>(0.95)</b>	(12.93)
	Fair value movement of Biological Assets	<b>(11.16)</b>	(206.86)
	Exchange Fluctuations	<b>(0.42)</b>	144.41
	Provision for doubtful debts and Advances	<b>174.19</b>	93.51
	Finance Cost	<b>24463.27</b>	25202.13
	<b>Operating Profit before working capital changes</b>	<b>41961.28</b>	75089.96
	Decrease (Increase) in inventories	<b>8820.37</b>	(18301.39)
	Decrease (Increase) in trade receivables	<b>(6088.25)</b>	(1044.07)
	Decrease (Increase) in non current financial assets	<b>218.89</b>	(1057.07)
	Decrease (Increase) in other non-current assets	<b>(105.70)</b>	0.00
	Decrease (Increase) in current financial assets	<b>(844.29)</b>	(922.23)
	Decrease (Increase) in other current assets	<b>335.27</b>	(4103.54)
	Increase (Decrease) in other non current liabilities	<b>(1.42)</b>	28.83
	Increase (Decrease) in trade payable	<b>22766.23</b>	(4098.09)
	Increase (Decrease) in non-current provisions	<b>710.47</b>	(108.76)
	Increase (Decrease) in current provisions	<b>694.39</b>	585.66
	Increase (Decrease) in other current financial Liabilities	<b>383.24</b>	(14.32)
	Increase (Decrease) in other current payables	<b>14956.68</b>	(10148.46)
	<b>Cash from Operations</b>	<b>83807.16</b>	35906.52
	Income Tax paid	<b>(1355.61)</b>	(7508.86)
	<b>Cash from Operating Activities</b>	<b>82451.55</b>	28397.66
<b>B</b>	<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
	Proceeds on Sale of Fixed Assets	<b>3.29</b>	14.76
	Additions to Fixed Assets, Capital Work-In-Progress & Capital Advance	<b>(12163.16)</b>	(9894.77)
	Interest Income	<b>972.85</b>	759.50
	Rental Income	<b>109.81</b>	110.27
	<b>Net Cash from Investing Activities</b>	<b>(11077.21)</b>	(9010.24)
<b>C</b>	<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
	Proceeds from Borrowings	<b>17901.59</b>	22663.63
	Repayment of Borrowings	<b>(43850.23)</b>	(15419.34)
	Interest paid	<b>(24759.17)</b>	(26260.12)
	Dividend paid	<b>(5190.80)</b>	(5190.80)
	Dividend tax paid	<b>(1056.72)</b>	(1056.72)
	Net Cash from Financing Activities	<b>(56955.33)</b>	(25263.35)
<b>D</b>	<b>TOTAL INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR (A+B+C)</b>	<b>14419.01</b>	(5875.93)
	Cash and cash equivalents at the beginning of the year	<b>(15882.91)</b>	(10006.98)
	Cash and cash equivalents at the end of the year	<b>(1463.90)</b>	(15882.91)
	Cash and cash equivalents comprise of the following		
	Cash and cash equivalents	<b>2604.33</b>	2045.02
	Bank overdrafts (cash credit)	<b>(4068.23)</b>	(17927.93)
	Cash and cash equivalents	<b>(1463.90)</b>	(15882.91)

**Notes :** 1. Cash Flow statement has been prepared by following Indirect method

2. Figures of previous year has been regrouped/restated/reclassified wherever necessary

**K. GNANADESIKAN, IAS**  
CHAIRMAN  
(DIN -00111798 )

**S. SIVASHANMUGARAJA, IAS**  
MANAGING DIRECTOR  
(DIN- 06684301)

**V. RAMANATHAN**  
EXECUTIVE DIRECTOR (FINANCE) &  
CHIEF FINANCIAL OFFICER

vide our report of even date  
**For BRAHMAYYA & CO.**  
CHARTERED ACCOUNTANTS  
Firm Reg. No: 0005115

**R. NAGENDRA PRASAD**  
Partner  
Membership No: 203377

Place : Chennai  
Date : 30.05.2018

**V. SIVAKUMAR**  
COMPANY SECRETARY

(₹ in Lakh)

**Statement of changes in equity****A. Equity Share Capital**

Particulars	Amount
Balance as at 01-Apr-17	6937.78
Changes in Equity Share Capital during 2017-18	0.00
Balance as at 31-Mar-18 (Includes Shares forfeited ₹ 16.72 lakh)	6937.78

\* Refer note 17

**B. Other Equity**

(₹ in Lakh)

Particulars	Reserves and Surplus			Equity instruments through other comprehensive income	Effective portion of cash flow hedges	Re-measurement of defined benefit plans	Total
	Security premium reserve	Other reserves (General reserves)	Retained Earnings				
Balance at the beginning of the period 01- Apr-17	17973.11	134973.03	10932.37	(4.49)	(166.68)	(179.88)	163527.46
Total Comprehensive Income	0.00	0.00	(4215.45)	(4.06)	287.85	193.24	(3738.41)
Dividend	0.00	0.00	(5190.80)	0.00	0.00	0.00	(5190.80)
Dividend Distribution Tax	0.00	0.00	(1056.72)	0.00	0.00	0.00	(1056.72)
Tax on Other Comprehensive Income	0.00	0.00	0.00	0.00	(99.62)	(66.88)	(166.50)
Balance at the end of the period 31-Mar-18	17973.11	134973.03	469.41	(8.55)	21.55	(53.52)	153375.03

Note No. 1 to 43 are forming part of financial statements

**K. GNANADESIKAN, IAS**  
CHAIRMAN  
(DIN -00111798 )

**S. SIVASHANMUGARAJA, IAS**  
MANAGING DIRECTOR  
(DIN- 06684301)

**V. RAMANATHAN**  
EXECUTIVE DIRECTOR (FINANCE) &  
CHIEF FINANCIAL OFFICER

vide our report of even date  
**For BRAHMAYYA & CO.**  
CHARTERED ACCOUNTANTS  
Firm Reg. No: 000511S  
**R. NAGENDRA PRASAD**  
Partner  
Membership No: 203377

Place : Chennai  
Date : 30.05.2018

**V. SIVAKUMAR**  
COMPANY SECRETARY

## NOTES TO THE FINANCIAL STATEMENTS

### 1. Company Overview

Tamil Nadu Newsprint and Papers Limited (the Company or 'TNPL') is in the business of manufacture and marketing of Paper, Paper Board, Cement and Generation of Power. The installed capacity of Paper is 400000 tons per annum (TPA), Paper Board is 200000 Tons per annum (TPA), and Cement is 900 tons per day (TPD). Power Generation Capacity is 174.12 MW consists of 138.62 of Turbo Generators (TG's) and 35.50 MW of Wind Farm. Generation of Power is primarily for self-consumption and surplus is sold.

The Company is a public limited company incorporated and domiciled in India and has its registered office situated at No. 67, Mount Road, Guindy, Chennai – 600 032, India. The Company has been incorporated under the provisions of the Companies Act, 1956 and its equity shares are listed on the Bombay Stock Exchange ('BSE') and National Stock Exchange (NSE) in India.

The financial statements are approved for issue by the Company's Board of Directors on May 30, 2018.

### 2. Basis of preparation

#### a. Statement of compliance

These financial statements are prepared in accordance with Indian Accounting Standard (Ind AS), under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ('the Act') (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

Effective April 1, 2016, the Company has adopted all the Ind AS standards and the adoption was carried out in accordance with Ind AS 101 First time adoption of Indian Accounting Standards, with April 1, 2015 as the transition date. The transition was carried out from Indian Accounting Principles generally accepted in India as prescribed under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

Amounts for the year ended 31<sup>st</sup> March, 2017 were audited by previous auditors M/s. Raman Associate.

#### b. Functional and presentation currency

These financial statements are presented in Indian Rupee ('INR'), which is also the Company's functional currency. All amounts have been rounded-off to the nearest lakh, unless otherwise indicated.

#### c. Basis of measurement

The financial statements have been prepared on the historical cost basis except for the following items:

- Certain financial assets and liabilities (including derivative instruments) - at fair value;
- Biological assets - Fair value less costs to sell; and
- Net defined benefit liability - Present value of defined benefit obligations

#### d. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

The company periodically reviews estimates. Changes to estimates are recognized in the period when the change is made if the change only affected that period. If the change affects current and future periods, it is recognized in the period when the change is made and in future periods. During the current financial year, the company has reviewed the estimates of certain financial assets and the impact on the revision of estimate will be considered appropriately both in current and future periods.

#### Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognized in the financial statements is included in the concerned notes.

**Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2018 is included in the concerned notes.

**e. Measurement of fair values**

A number of the Company's accounting policies and disclosures require measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. The Company regularly reviews significant unobservable inputs and valuation adjustments. If third party information is required, the Company assesses the evidence obtained by the third parties to support the conclusions that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

Notes 6 – Investment Property

Notes 8 – Biological Assets

Notes 41 – Financial Instruments

**3. Significant accounting policies****a. Foreign currency transactions**

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Exchange differences are recognized in profit or loss, except exchange differences arising from the translation of the qualifying cash flow hedges to the extent that the hedges are effective which are recognized in Other Comprehensive Income (OCI).

As per option given under Ind AS 101, a first time adopter can continue its Indian GAAP policy for accounting for exchange differences arising from translation of long-term foreign currency monetary items recognized in the Indian GAAP financial statements for the period ending immediately before the beginning of the first Ind AS financial reporting period. Accordingly, 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.

**b. Financial instruments****i. Recognition and initial measurement**

All financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

## ii. Classification and subsequent measurement

### Financial assets

On initial recognition, a financial asset is classified as measured at

- amortized cost;
- Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or
- Fair Value Through Profit and Loss (FVTPL)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. (designated as FVOCI – equity investment). This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

<b>Financial assets at FVTPL</b>	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.
<b>Financial assets at amortized cost</b>	These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on de-recognition is recognized in profit or loss.
<b>Equity investments at FVOCI</b>	These assets are subsequently measured at fair value. Dividends are recognized as income in profit or loss. Other net gains and losses are recognized in OCI and are not reclassified to profit or loss.

### Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on de-recognition is also recognized in profit or loss.

## iii) De-recognition

### Financial assets

The company de-recognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the company enters into transactions whereby it transfers assets recognized on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognized.



**Financial liabilities**

The company de-recognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.

The company also de-recognizes a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognized at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognized in profit or loss.

**iv) Off-setting**

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

**v) Derivative financial instruments and hedge accounting**

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

The Company designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions and firm commitments arising from changes in foreign exchange rates.

At inception of designated hedging relationships, the Company documents the risk management objective and strategy for undertaking the hedge. The Company also documents the economic relationship between the hedged item and the hedging instrument, including whether the changes in cash flows of the hedged item and hedging instrument are expected to offset each other.

**Cash flow hedges**

When a derivative is designated as a cash flow hedging instrument, the effective portion of changes in the fair value of the derivative is recognized in OCI and accumulated in the other equity under 'effective portion of cash flow hedges'. The effective portion of changes in the fair value of the derivative that is recognized in OCI is limited to the cumulative change in fair value of the hedged item, determined on a present value basis, from inception of the hedge. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss.

The Company designates only the change in fair value of forward exchange contracts as the hedging instrument in cash flow hedging relationships.

When the hedged forecast transaction subsequently results in the recognition of a non-financial item such as inventory, the amount accumulated in other equity is included directly in the initial cost of the non-financial item when it is recognized. For all other hedged forecast transactions, the amount accumulated in other equity is reclassified to profit or loss in the same period or periods during which the hedged expected future cash flows affect profit or loss.

If a hedge no longer meets the criteria for hedge accounting or the hedging instrument is sold, expires, is terminated or is exercised, then hedge accounting is discontinued prospectively. When hedge accounting for cash flow hedges is discontinued, the amount that has been accumulated in other equity remains there until, for a hedge of a transaction resulting in recognition of a non-financial item, it is included in the non-financial item's cost on its initial recognition or, for other cash flow hedges, it is reclassified to profit or loss in the same period or periods as the hedged expected future cash flows affect profit or loss.

If the hedged future cash flows are no longer expected to occur, then the amounts that have been accumulated in other equity are immediately reclassified to profit or loss.

**vi) Cash and cash equivalents**

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

**c. Property, Plant and Equipment****i. Recognition and measurement**

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and accumulated impairment losses, if any.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

**ii. Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment as at 1 April 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment

**iii. Subsequent expenditure**

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

**iv. Depreciation**

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method and is generally recognized in the statement of profit and loss. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment are as follows:

Asset	Management estimate of useful life
Buildings	3 to 60 years
Plant & Equipment	3 to 30 years
Furniture, Fixture and other Equipment	5 to 10 years
Vehicles	8 to 10 years

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Depreciation on additions (disposals) is provided on a pro-rata basis i.e. from (up to) the date on which asset is ready for use (disposed of).

**v. Reclassification to investment property**

When the use of a property changes from owner-occupied to investment property, the property is reclassified as investment property at its carrying amount on the date of reclassification.

**d. Other intangible assets****i. Recognition and measurement**

Intangible assets are initially measured at cost. These items of other intangible assets are subsequently measured at cost less accumulated amortization and accumulated impairment losses, if any.

**ii. Subsequent expenditure**

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

**iii. Transition to Ind AS**

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognized as at 1 April 2015, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets.

**iv. Amortization**

Amortization is calculated to write off the cost of intangible assets less their estimated residual values over their estimated useful lives using the straight-line method, and is included in depreciation and amortization in Statement of Profit and Loss.

The estimated useful lives are as follows:

Asset	Management estimate of useful life
Software	4 years
Right to procure Bagasse	Tenure of the respective sugar mills agreement

Amortization method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

**Internally generated: Research and Development**

Expenditure other than for acquisition of capital assets on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized as part of the cost of the resulting intangible asset only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, the asset is measured at cost less accumulated amortization and any accumulated impairment losses

**e. Biological assets**

Biological assets, i.e. standing crops are measured at fair value less costs to sell, with any change therein recognized in profit or loss.

**f. Investment property**

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business or use in the production or supply of goods or services or for administrative purposes. Upon initial recognition, an investment property is measured at cost. Subsequent to initial recognition, investment property is measured at cost less accumulated depreciation and accumulated impairment losses, if any.

On transition to Ind AS, the company has elected to continue with the carrying value of all of its investment property recognized as at 1 April 2015, measured as per the previous GAAP and use that carrying value as the deemed cost of such investment property.

The estimated useful lives are as follows:

Asset	Management estimate of useful life
Land	---
Building	60 years

Any gain or loss on disposal of an investment property is recognized in profit or loss.

The fair value of investment property is disclosed in the notes. Fair value is determined by an independent valuer who holds a recognized and relevant professional qualification and has recent experience in the location and category of the investment property being valued or by utilizing guideline value.

**g. Inventories**

All inventories are initially recorded at cost. 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 and discounts.

**Raw materials, stores, consumables and spare parts**

Raw materials, stores, consumables and spare parts held for use in the production of finished products are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished products will exceed their net realizable value.

Cost of wood transferred from biological assets (captive plantation) is valued initially at their fair value less costs to sell at the point of harvest. Weighted average cost has been followed for subsequent measurement as stated above.

All spares having useful life less than one year are treated as inventories and measured accordingly.

**Work-in-process**

All work-in-process are valued at lower of cost which includes cost of inputs, net of taxes and duties eligible for credit and overheads up to the stage of completion and net realizable value.

**Finished goods**

Finished goods at factory are measured at lower of cost which includes cost of inputs (net of taxes and duties eligible for credits) and overheads and net realizable value. Finished goods at branches are valued on the above basis and also include transportation cost to branches and insurance cost.

**Traded Goods**

Traded goods are measured at lower of purchase cost net of taxes and duties, if any and net realizable value.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

**Non Moving Stores and Spares**

Stores and spares not drawn for use for more than three years as at the end of year are charged to revenue and are carried at nil value in the books of account.

**h. Impairment****i) Impairment of financial instruments**

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost.

At each reporting date, the Company assesses whether financial assets carried at amortized cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being past due for 365 days or more;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or

**Measurement of expected credit losses**

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the company expects to receive).

**Presentation of allowance for expected credit losses in the balance sheet**

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

**Write-off**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets

or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

## **ii. Impairment of non-financial assets**

The Company's non-financial assets, other than biological assets, inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU is determined based on asset's value in use. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

To determine impairment of a corporate asset (e.g., Corporate office building for providing support to various CGUs), recoverable amount is determined for the CGUs to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss.

## **i. Non-current assets held for sale**

Non-current assets comprising assets and liabilities are classified as held for sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Losses on initial classification as held for sale and subsequent gains and losses on re-measurement are recognized in profit or loss.

Once classified as held-for-sale, intangible assets, property, plant and equipment and investment properties are no longer amortized or depreciated.

Fair value of assets held for sale as on the Balance sheet date will be retired from Fixed Assets and classified under Current assets. Depreciation is charged for such asset only upto the retirement Date. The Difference between fair value and Book value of such asset is charged to Profit and Loss Account

## **j. Employee benefits**

### **i. Short-term employee benefits**

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognized for the amount expected to be paid e.g. under short-term cash bonus / Ex-gratia, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the amount of obligation can be estimated reliably.

### **ii. Defined contribution plan**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards pension and superannuation scheme. Obligations for contributions to defined contribution plans are recognized as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

### **iii. Defined benefit plan**

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 recognized 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.

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.

Re-measurements of the net defined benefit liability on account of experience adjustments and changes in actuarial assumptions in respect of Gratuity, which comprise actuarial gains and losses are recognized in Other Comprehensive Income (OCI).

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognized immediately in profit and loss as past service cost.

**k. Provisions (other than for employee benefits) and contingent liabilities**

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Expected future operating losses are not provided for.

**Decommissioning costs**

Decommissioning costs are measured as the best estimate of the expenditure to settle the obligation or to transfer the obligation to a third party. Provisions for decommissioning obligations are required to be recognized at the inception of the arrangement. The estimated costs to be incurred at the end of the arrangement are discounted to its present value using the market rate of return.

**Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.

Contingent assets are neither recognized nor disclosed in the financial statements.

**l. Revenue recognition**

Revenue is measured at the fair value of the consideration received or receivable after netting trade discounts, volume discounts and sales returns. Revenue from sale of goods is recognized when significant risks and rewards have been transferred to buyer.

Rental income from investment property is recognized as part of other income in profit or loss on a straight-line basis over the term of the lease except where the rentals are structured to increase in line with expected general inflation.

Renewable Energy Certificate (REC) benefits are recognized in the statement of Profit and Loss on sale of REC's.

Dividend from investments is recognized when the right to receive the payment is established.

Liquidated damages and penalties recovered from suppliers/contractors, in relation to property, plant and equipment 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.

**Barter transactions**

The Company has engaged into barter transactions comprising of exchanging steam/fuel for bagasse. This exchange though is of dissimilar goods, would not qualify as sale since it is not a product sold by the Company.

**Export Benefits**

The benefit accrued under Duty Drawback Scheme as per the Export and Import Policy in respect of exports made is accounted on an accrual basis and is included under the head "revenue from operations" as 'Export Incentives'.

The benefit accrued under the Merchandise Exports from India Scheme (MEIS) in respect of exports on an accrual basis and is included under the head "revenue from operations" as 'Export Incentives'.



Export benefits available under eligible schemes are recognized in the year when the right to receive credit as per the terms of the scheme is established in respect of exports made and are accounted to the extent there is no significant uncertainty about the measurability and ultimate utilization/ realization of such duty credit.

**m. Government grants**

Government grants and project incentives are recognized initially as deferred income at fair value when there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant and the same is recognized in profit or loss as other income on a systematic basis.

Grants that compensate the Company for expenses incurred are recognized in profit or loss as other income on a systematic basis in the periods in which such expenses are recognized.

**n. Leases**

**i. Determining whether an arrangement contains a lease**

At inception of an arrangement, it is determined whether the arrangement is or contains a lease.

At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values.

**ii. Lease payments**

Payments made under operating leases are generally recognized in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**o. Recognition of dividend income, interest income or expense**

Dividend income is recognized in profit or loss on the date on which the company's right to receive payment is established. Interest income or expense is recognized using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortized cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortized cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

**p. Income tax**

Income tax comprises current and deferred tax. It is recognized in profit or loss except to the extent that it relates to an item recognized directly in equity or in other comprehensive income.

**i. Current tax**

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognized amounts, and it is intended to realize the asset and settle the liability on a net basis or simultaneously.

**ii. Deferred tax**

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognized in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognizes a deferred tax asset only to the extent

that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realized. Deferred tax assets – unrecognized or recognized, are reviewed at each reporting date and are recognized/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realized.

Credit for Minimum Alternative Tax (MAT) if any is recognized as a part of deferred tax assets. Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

**q. Borrowing cost**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowings. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalized as part of the cost of that asset. Other borrowing costs are recognized as an expense in the period in which they are incurred.

**r. Cash flow statements**

Cash flow statements are prepared under Indirect Method whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments, and items of income or expense associated with investing or financing cash flows. Cash and cash equivalents comprise of cash in hand, current and other accounts (including fixed deposits) held with banks.

**Amendment to Ind AS 7**

Effective from April, 1, 2017, the Company adopted the amendment to Ind AS 7, which require the entities to provide disclosure that enable users of financial statement to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes, suggesting inclusion of a reconciliation between the opening and closing balances in the Balance Sheet for liabilities arising from financing activities, to meet the disclosure requirement.

**s. Events occurring after the balance sheet date**

Assets and liabilities are adjusted for events occurring after the reporting period that provides additional evidence to assist the estimation of amounts relating to conditions existing at the end of the reporting period.

Dividends declared by the Company after the reporting period are not recognized as liability at the end of the reporting period. Dividends declared after the reporting period but before the issue of financial statements are not recognized as liability since no obligation exists at that time. Such dividends are disclosed in the notes to the financial statements.

**t. Operating segments**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Board of Directors (BoD) to make decisions about resources to be allocated to the segments and assess their performance.

The Company has identified following operating segments i.e. Paper& Paper Board, Energy and Cement.

Reportable Segments	Operations
Paper & Paper Board	Manufacturing and selling of Paper and Paper Board
Energy	Generation of Power through TGs and Wind mills for captive consumption and for export of power.
Cement	Manufacturing and selling of 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 are not allocable to a segment on a reasonable basis have been disclosed as un-allocable assets and liabilities.

Inter segment revenue / expenses are recognized at cost.

Geographical segments considered for reporting are India and Rest of the World.

Information about reportable segments

Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Company's CEO. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment pricing is determined on cost basis.

**u. Earnings per share (EPS)**

Basic earnings per share is computed by dividing profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The Company did not have any potentially dilutive securities in any of the years presented.

**v. Dividends**

Final dividend on shares is recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

The Company declares and pays dividends in Indian rupees. The remittance of dividends outside India is governed by Indian law on foreign exchange and is subject to applicable distribution taxes.

Dividends, if any are to be declared at the Annual General Meeting 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 recommendation of dividend include, without limitation, the company's future expansion plans and capital requirements, profits earned during the fiscal year, cost of raising funds from alternative 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.

**w. Standard issued but not effective**

Ministry of Corporate Affairs ("MCA"), on March 28, 2018, through Companies (Indian Accounting Standards) Amendment Rules, 2018 has notified the new standard for revenue recognition and amended certain existing Ind ASs which are effective for annual periods beginning on or after April 1, 2018.

**Ind AS 115- Revenue from Contract with Customers:**

Ind AS 115 will supersede the existing revenue recognition standard 'Ind AS 18 – Revenue'. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible methods of transition:

- Retrospective approach - Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8- Accounting Policies, Changes in Accounting Estimates and Errors
- Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch - up approach) -The effective date for adoption of Ind AS 115 is financial periods beginning on or after April 1, 2018.

The Company will adopt the standard on April 1, 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended March 31, 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

**Ind AS 21 – The effect of changes in Foreign Exchange rates (Appendix B)**

The amendment clarifies on the accounting of transactions that include the receipt or payment of advance consideration in a foreign currency. The appendix explains that the date of the transaction, for the purpose of determining the exchange rate, is the date of initial recognition of the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. The amendment will come into force from April 1, 2018.

The Company does not expect the effect of this on the financial statements to be material based on preliminary evaluation."

## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakh)

Notes	PARTICULARS	DEEMED COST (GROSS CARRYING AMOUNT)		ACCUMULATED DEPRECIATION /AMORTISATION		CARRYING AMOUNT	
		As at 01/04/17	Additions/ (Deletions)	As at 31/03/18	Additions/ (Deletions)	Upto 31/03/18	As at 31/03/17
4	<b>Property Plant and Equipment (PPE)</b>						
	Land [notes (a & b)]	5218.28	2019.03	7237.31	0.00	0.00	5218.28
	Buildings	67370.29	3379.34	70749.63	2781.86	6822.59	63329.56
	Plant & Machinery [notes (c & d)]	366201.64	12797.03	378924.51	18487.98	47757.43	336911.98
	Furniture, Fixture and other Equipment	1796.03	210.44	2005.43	268.48	622.86	1440.92
	Vehicles	454.90	(1.04)	475.64	(0.73)	149.70	359.31
	Total	441041.14	18426.58	459392.52	21592.43	55352.58	407260.05
5	<b>Capital Work-in-Progress</b>						
6	<b>Investment Property</b>						
	Land	451.23	0.00	451.23	0.00	0.00	451.23
	Building	86.37	0.00	86.37	1.99	5.78	82.57
	Total	537.60	0.00	537.60	1.99	5.78	533.80
7	<b>Other Intangible Assets</b>						
	Computer software	1044.82	0.00	1044.82	157.53	850.84	351.51
	Right to Procure Bagasse [notes (e)]	2608.42	1002.96	3205.73	431.33	884.54	1749.56
	Total	3653.24	(405.65)	4250.55	(405.65)	1735.38	2101.07

## Notes:

- a) The Land includes ₹ 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 Tamil Nadu in favour of the company is yet to be done pending completion of necessary formalities.
- b) The company has acquired 832.57 acres of Private Patta land and 41.89 acres of Government Poramboke Land for setting up the Multilayer Coated Paper Board Plant and paid interim compensation of ₹ 2501.70 lakh for Private Patta Land. Final amount of compensation has been determined by applying the multiplier factors in the Tamil Nadu Acquisition of Land for Industrial purpose Act, 1997 by virtue of the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 as per notification by the Government of Tamil Nadu vide its order GO (Ms.) No.13 dated 21.02.2018, Industries (SIPCOT-LA) Department, Govt. Of Tamil Nadu. Accordingly, additional final compensation amounting to ₹ 2017.02 lakhs has been provided for Private Patta Land and included in cost of Land.
- c) 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.
- d) The company has entered into an agreement with the 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 of ₹ 34.38 Crore. The sugar mill has to reimburse 50% of the capital cost and pay the same in 35 quarterly installments bearing interest @ 9%. On completion of the payment of 50% cost of the asset, TNPL and the sugar mill will have joint ownership and equal rights on the assets installed at Appakudal. Pending receipt of full value, joint ownership right of the assets yet to be transferred.
- e) The tenure of agreements with sugar mills is considered for arriving at Fair value of Interest Free advances and the resultant difference being recognised as Intangible Asset. During the current year, some of the agreements have been reassessed and the fair value of advances and intangible assets have been recalculated and recognised in the books of accounts effective 1<sup>st</sup> April, 2017 and amortised accordingly over the tenure of the remaining period of agreement.
- f) Additions to assets include a exchange gain of ₹ 9.34 lakhs (Previous Year -exchange loss ₹ 21.19 lakhs) towards adjustment of effects of changes in Foreign Exchange rates during the year relating to Foreign Currency Long-term loans availed for acquisition of depreciable fixed assets in line with 3 (a) (i) - Significant Accounting Policies
- g) The Company has capitalized the borrowing cost amounting to ₹ Nil ( Previous year ₹ 19635.09 lakh) towards Paper Board Project (Unit-2). The company applied capitalization rate of 9.53% for general borrowings used for Unit-2 Board Project for the year ended 31.03.2017
- h) As at 31 March 2018, PPE are subject to charge on secured bank loans (Refer Notes 19)
- i) The "recoverable amount" is higher than the "carrying amount" of the cash generating units and hence there is no impairment of losses under Ind AS-36.

## NOTES TO THE FINANCIAL STATEMENTS

## j) Capital Work-in-Progress includes:

(₹ in Lakh)

Sl.No.	Particulars		As at 31/03/2018	As at 31/03/2017
	<b>Tangible Assets</b>			
A)	Regular Projects		<b>1222.79</b>	3321.03
B)	Lime Sludge Fly Ash Management (LSFM)-(Cement Plant Capacity Expansion)			
	Opening Balance	(a)	<b>0.00</b>	168.06
	<b>Additions:</b>			
	Plant and Machinery		<b>0.00</b>	403.66
	Sub-Total	(b)	<b>0.00</b>	403.66
	Less: Transferred to Fixed Assets on capitalization			
	Plant and Machinery		<b>0.00</b>	378.05
	Transfer to Regular Projects		<b>0.00</b>	193.67
	Sub-Total	(c)	<b>0.00</b>	571.72
	Closing Balance (a)+(b)-(c)		<b>0.00</b>	0.00
C)	Unit - 2 - Multilayer Coated Board Project			
	Opening Balance	(a)	<b>2581.40</b>	179515.81
	<b>Additions:</b>			
	Land		<b>2017.02</b>	84.72
	Buildings		<b>1090.37</b>	6782.31
	Plant and Machinery		<b>4739.29</b>	3931.34
	Vehicles		<b>6.83</b>	88.94
	Furniture		<b>117.07</b>	1023.46
	Intangible Assets		<b>-</b>	222.07
	Finance Costs		<b>-</b>	1294.88
	Pre-Operative Expenses		<b>-</b>	1997.41
		(b)	<b>7970.58</b>	15425.13
	Less: Transferred to Fixed Assets on capitalization			
	Land		<b>2017.02</b>	267.42
	Buildings		<b>2241.35</b>	36352.24
	Plant and Machinery		<b>5578.82</b>	144941.42
	Vehicles		<b>6.83</b>	97.33
	Furniture		<b>117.07</b>	1182.48
	Intangible Assets		<b>-</b>	266.13
		(c)	<b>9961.09</b>	183107.02
	Less: Materials Transferred to inventory account	(d)	<b>-</b>	9252.52
	Closing Balance (a)+(b)-(c)-(d)		<b>590.89</b>	2581.40
	<b>Grand Total (A + B + C)</b>		<b>1813.68</b>	5902.43

## k) Disclosures relating to Investment Property

Particulars	31/03/2018	31/03/2017
Rental income for investment property	<b>105.40</b>	105.33
Direct operating expenses to income generating property	<b>60.83</b>	63.99
Less: Reimbursement of Expenses	<b>(58.84)</b>	(62.12)
Depreciation on Investment property	<b>(1.99)</b>	(1.87)
<b>Fair value of Investment Property</b>		
a) Land at Tirupattur	<b>31.53</b>	47.06
b) Land at Ambattur	<b>6124.47</b>	9141.00
c) Corporate office building comprise of 6 floors, out of which 2 <sup>nd</sup> & 3 <sup>rd</sup> Floors are rented out and it is treated as investment property and the fair value of Investment property is	<b>372.46</b>	372.46

## NOTES TO THE FINANCIAL STATEMENTS

### Measurement of fair values

#### Fair value hierarchy

- (i) The fair value of investment property (Corporate Office Building) has been determined by external, independent property valuers, having appropriate recognized professional qualifications and recent experience in the location and category of the property being valued. Government guideline value is considered as fair value for Land
- (ii) The fair value measurement for land has been categorized as Level 1 fair value and for corporate office building has been categorized as Level 2

### 8. Biological Assets Other than bearer plants

#### a) Reconciliation of carrying amount

(₹ in Lakh)

Particulars	31/03/2018	31/03/2017
<b>Standing crops:</b>		
Opening Balance	804.10	699.01
Add: New plantations / Maintenance cost	39.29	256.21
Less: Harvested wood transferred to inventories	(144.00)	(357.98)
Changes in fair value less estimated costs to sell	11.16	206.86
Closing Balance	710.55	804.10

As at 31<sup>st</sup> March 2018, standing crops comprises 5938 acres of plantations (31 March 2017: 7538 acres). During the year the company harvested 3461 Mts (31 March 2017: 8017 Mts).

#### b) Measurement of fair values

##### i. Fair value hierarchy

The fair value measurements for the standing crops have been categorized as Level 3 fair values based on the inputs to the valuation techniques used.

##### ii. Level 3 fair values

The following table shows a breakdown of the total gains (losses) recognized in respect of level 3 fair values (Standing crops)

(₹ in Lakh)

Particulars	2017-18	2016-17
<b>Gain included in 'other income'</b>		
Change in fair value	11.16	206.86

##### iii. Valuation techniques and significant unobservable inputs

The following table shows the valuation techniques used in measuring Level 3 fair values and significant unobservable inputs used in Level 3 fair value measurements.

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Discounted cash flows:  The valuation model considers the present value of net cash flows expected to be generated by the plantation. The cash flow projections include specific estimates for 5-6 years. The expected net cash flows are discounted using a risk adjusted discount rate	Estimated future wood market prices per ton (31 March 2018: INR 3700)  Estimated yields (in tons) per acre (31 March 2018: 8; 31 March 2017: 10)  Risk-adjusted discount rate (31 March 2018: 9%; 31 March 2017: 9%)	The estimated fair value would increase (decrease) if:  - the estimated wood prices per ton were higher (lower); - the estimated yields per acre were higher (lower); - the risk-adjusted discount rates were lower (higher)



## NOTES TO THE FINANCIAL STATEMENTS

### c) Risk management related to agricultural activities

The Company has identified the risk of fire and allied perils, natural calamities like flood, pests and drying up of plant with regard to Biological Assets. The Company has taken insurance policy covering these risks.

(₹ in Lakh)

Notes	Particulars	As at 31/03/2018	As at 31/03/2017
9	<b>Investment</b>		
	<b>Quoted equity shares</b>		
	IDBI Bank Limited (142720 equity shares of ₹ 10 each, fully paid) (Held by IL& FS Securities Services Ltd as collateral Security for taking hedging positions in Currency Futures)	103.12	107.18
	Note: Aggregate Amount of quoted Investment at cost	103.12 114.05	107.18 114.05

### Equity shares designated as at fair value through other comprehensive income

At 1 April 2016, the Company designated the investments shown below as equity shares as FVOCI because these equity shares represent investments that the Company intends to hold for long term for strategic purposes.

(₹ in Lakh)

Particulars	Fair value at 31/03/2018	Dividend income recognized during 2017-2018	Fair value at 31/03/2017
IDBI Bank Ltd - Equity Shares	103.12	0.00	107.18

No strategic investments were disposed during 2017-2018

(₹ in Lakh)

Notes	Particulars	As at 31/03/2018	As at 31/03/2017
10	<b>Loans</b>		
	Advance to Sugar Mills		
	Secured, considered good	1172.48	1919.90
	Unsecured, considered good	6521.51	6576.25
		7693.99	8496.15
	Secured by way of residuary subservient charge on immovable assets of Sugar Mills.		
11	<b>Other Non- Current Assets</b>		
	Capital Advances	38.23	2202.22
	Prepaid Expenses	105.70	0.00
		143.93	2202.22

**NOTES TO THE FINANCIAL STATEMENTS****(₹ in Lakh)**

Notes	Particulars	As at 31/03/2018	As at 31/03/2017
<b>12</b>	<b>Inventories</b>		
	a) Raw materials		
	In Stock	<b>9816.40</b>	16206.45
	In Transit	<b>3623.76</b>	410.88
	b) Work in process	<b>9275.71</b>	13075.00
	c) Stock of Finished Goods	<b>10992.17</b>	12234.77
	d) Stock of Traded goods	<b>484.01</b>	319.79
	e) Stores, Consumables and spare parts		
	In Stock	<b>14200.08</b>	14874.02
	In Transit	<b>25.20</b>	12.08
		<b>48417.33</b>	57132.99

Carrying amount of inventories (included in above) pledged as securities for borrowings.

The write-down of stores and spares to net realizable value during the year amounted to ₹ 656.16 Lakh (31 March 2017: ₹ 272 Lakh). The write-down are included in cost of stores & spares consumed.

<b>13</b>	<b>Trade Receivables</b>		
	Un-Secured, considered good	<b>59876.19</b>	53393.57
	Un-Secured, considered doubtful	<b>355.01</b>	180.82
		<b>60231.20</b>	53574.39
	Less: Allowance for bad and doubtful debts	<b>355.01</b>	180.82
		<b>59876.19</b>	53393.57
<b>14</b>	<b>Cash and Cash Equivalents</b>		
	a) Balance with Banks		
	Current accounts	<b>2573.98</b>	2035.92
	b) Cheques, drafts on hand	<b>29.50</b>	4.94
	c) Cash on hand	<b>0.85</b>	4.16
	d) Other than cash and cash equivalents - Unpaid Dividend accounts	<b>115.80</b>	99.60
		<b>2720.13</b>	2144.62
<b>15</b>	<b>Loans</b>		
	<b>Secured, considered good</b>		
	Current maturities of Loans - Advance to Sugar Mills	<b>1616.84</b>	1403.07
	Advances - Unsecured - Considered good	<b>1153.82</b>	825.77
	Advances - Unsecured - Considered doubtful	<b>21.45</b>	21.45
	Less: Allowance for bad and doubtful debts	<b>(21.45)</b>	(21.45)
	Employee Advances	<b>426.33</b>	383.30
	Interest accrued on Loans/Deposits	<b>538.27</b>	271.11
		<b>3735.26</b>	2883.25

**NOTES TO THE FINANCIAL STATEMENTS****(₹ in Lakh)**

Notes	Particulars	As at 31/03/2018	As at 31/03/2017
<b>16</b>	<b>Other Current Assets</b>		
	Advances & Deposits with Government and public bodies	<b>1715.27</b>	2471.24
	Advances for Materials and Services	<b>6886.98</b>	5193.48
	Balance with:		
	- Central Excise / TN VAT /GST - (includes ₹ 452.64 Lakhs paid under protest for disputes)	<b>5966.23</b>	9167.22
	Claims Receivables	<b>2980.74</b>	2365.56
	Export Incentives Receivables	<b>2129.87</b>	380.38
	Prepaid Expenses	<b>463.45</b>	899.93
		<b>20142.54</b>	20477.81
<b>16A</b>	<b>Assets held for sale</b>		
	- 10 MVA -33/11 kV Power Transformer	<b>22.00</b>	0.00
<b>17</b>	<b>Equity Share Capital</b>		
	<b>Authorized</b>		
	13,50,00,000 (31 March 2017: 13,50,00,000) Equity Shares of ₹ 10/- each	<b>13500</b>	13500
	<b>Issued</b>		
	7,00,00,000 (31 March 2017: 7,00,00,000) Equity Shares of ₹ 10/- each	<b>7000</b>	7000
	<b>Subscribed and Fully Paid up*</b>		
	6,92,10,600 (31 March 2017: 6,92,10,600) Equity Shares of ₹ 10/- each fully paid up	<b>6921.06</b>	6921.06
	<b>Shares Forfeited**</b>	<b>16.72</b>	16.72
	<b>Total</b>	<b>6937.78</b>	6937.78

\* All subscribed shares are fully paid-up

\*\* Shares forfeited represents shares called and partly paid by the shareholders were subsequently forfeited by the Company.

**(i) Reconciliation of shares outstanding at the beginning and at the end of the reporting period**

Particulars	31/03/2018		31/03/2017	
	Number in Lakhs	₹ in Lakhs	Number in Lakhs	₹ in Lakhs
<b>Equity shares</b>				
At the commencement of the period	<b>692.106</b>	<b>6921.06</b>	692.106	6921.06
Shares issued during the period	<b>0.00</b>	<b>0.00</b>	0.00	0.00
<b>At the end of the period</b>	<b>692.106</b>	<b>6921.06</b>	692.106	6921.06

**(ii) Rights, preferences and restrictions attached to equity shares**

The company has a single class of equity shares. Each equity shares having a par value of ₹ 10. Accordingly, all equity shares rank equally with regard to dividends and share in the company's residual assets on winding up. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to his/its share of the paid-up equity share capital of the company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable has not been paid. Failure to pay any amount called up on shares may lead to their forfeiture.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive the residual assets of the company, in proportion to the number of equity shares held, after distribution of all preferential amounts. However, no such preferential amounts exist currently.

## NOTES TO THE FINANCIAL STATEMENTS

### (iii) Particulars of shareholders holding more than 5% of shares

Sl. No	Particulars	31/03/2018		31/03/2017	
		Number in Lakhs	% of total shares	Number in Lakhs	% of total shares
1	Equity shares of ₹ 10/- each fully paid-up held by -				
1	- Governor of Tamil Nadu on behalf of Govt of Tamil Nadu	244.45	35.32%	244.45	35.32%
2	- Life Insurance Corporation of India	63.06	9.11%	63.06	9.11%
3	- HDFC Trustee Company Limited - HDFC Prudence Fund	37.14	5.37%	0.00	0.00%

### (iv) Dividends

The following dividends were declared and paid by the Company during the year

(₹ in Lakh)

Particulars	2017-18	2016-17
₹ 7.50 per equity share (Financial year 2016-17: ₹ 7.50)	5190.80	5190.80
Dividend Distribution Tax (DDT) on dividend to equity shareholders	1056.72	1056.72
	6247.52	6247.52

After the reporting date, the following dividends (excluding dividend distribution tax) were proposed by the Board of Directors subject to the approval at the annual general meeting; the dividends have not been recognized as liabilities. Dividends would attract dividend distribution tax when declared or paid.

(₹ in Lakh)

Particulars	2018-19	2017-18
₹ 5.00 per equity share (Financial year 2017-18: ₹ 7.50)	3460.53	5190.80
	3460.53	5190.80

### (v) Basic and diluted earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings per share calculation are as follows:

#### a. Profit (loss) attributable to equity shareholders (basic and diluted)

(₹ in Lakh)

Particulars	As at 31/03/2018	As at 31/03/2017
Profit (loss) for the year, attributable to the equity holders	(4215.45)	26456.39
	(4215.45)	26456.39

#### b. Weighted average number of equity shares (basic and diluted)

In Numbers

Particulars	As at 31/03/2018	As at 31/03/2017
Opening balance	69210600	69210600
Effect of fresh issue of shares for cash	0	0
<b>Weighted average number of equity shares for the year</b>	<b>69210600</b>	<b>69210600</b>
Earning Per Share (EPS) - (₹)	(6.09)	38.23

## NOTES TO THE FINANCIAL STATEMENTS

## 18 Other Equity

(₹ in Lakh)

Particulars	As at 31/03/2018	As at 31/03/2017
(a) Securities premium	17973.11	17973.11
(b) General reserve		
(i) Opening balance	134973.03	115973.03
(ii) Transfer from retain earnings	0.00	19000.00
(iii) Closing balance	134973.03	134973.03
(c) Retained Earnings reserve		
(i) Opening balance	10932.37	9723.50
(ii) Profit / (Loss ) for the year	(4215.45)	26456.39
(iii) Less : Appropriations		
(a) Dividend on equity Shares	5190.80	5190.80
(b) Tax on dividend	1056.72	1056.72
(c) Transfer from retain earnings	0.00	19000.00
	469.41	10932.37
(d) Equity instruments through other comprehensive income		
(i) Opening balance	(4.49)	(9.71)
(ii) Change during the year (net)	(4.06)	5.22
	(8.55)	(4.49)
(e) Effective portion of cash flow hedges		
(i) Opening balance	(166.68)	176.22
(ii) Change during the year (net)	188.23	(342.90)
	21.55	(166.68)
(f) Re-measurement of defined benefit plans		
(i) Opening balance	(179.88)	185.75
(ii) Change during the year (net)	126.36	(365.64)
	(53.52)	(179.89)
<b>Total other equity</b>	<b>153375.03</b>	<b>163527.46</b>

## NOTES TO THE FINANCIAL STATEMENTS

### Nature of reserves

#### (a) Securities Premium

Securities premium reserve is used to record the premium on issue of shares. The reserve is utilised in accordance with the provision of the Companies Act, 2013.

#### (b) General reserve

The General reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the General reserve is created by a transfer from one component of equity to another and is not item of other comprehensive income, items included in the General reserve will not be reclassified subsequently to statement of profit and loss.

#### (c) Equity instruments through other comprehensive income

This reserve represents the cumulative gains and losses arising on the revaluation of equity / debt instruments measured at fair value through other comprehensive income, net of amounts reclassified to retained earnings when those assets have been disposed off.

#### (d) Effective portion of cash flow hedges

The cash flow hedging reserve represents the cumulative effective portion of gains or losses arising on changes in fair value of designated portion of hedging instruments entered into for cash flow hedges. The cumulative gain or loss arising on changes in fair value of the designated portion of the hedging instruments that are recognised and accumulated under the heading of cash flow hedging reserve. Such gains or losses will be reclassified to statement of profit and loss in the period in which the hedged transaction occurs.

#### (e) Re-measurement of defined benefit plans

Re-measurements of defined benefit liability comprises actuarial gains and losses.

#### f) Capital Management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors the return on capital, as well as the level of dividends to equity shareholders.

The Board of Directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position. The weighted-average interest expense on interest-bearing borrowings was 8.30 percent (2016-17: 8.78 percent)



## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakh)

Notes	Particulars	As at 31/03/2018	As at 31/03/2017
19	<b>Borrowings</b> <b>Non-current borrowings</b> <b>Term loans - From Financial Institutions - Secured</b> <b>A) De-Inking Pulp Plant (DIP)</b> - Foreign Currency Loan 0.00 558.67 <b>B) Term Loans-General Corporate Loan</b> - Rupee Term Loans 1875.00 4375.00 <b>Term loans - From Banks</b> <b>Secured</b> <b>A) Lime Sludge &amp; Fly Ash Management System (LSFM)</b> - Rupee Term Loans 1500.00 2100.00 <b>B) Term Loans-General Corporate Loan</b> - Rupee Term Loans 59513.09 51106.92 <b>C) Multilayer Coated Board Plant</b> - Rupee Term Loans 82144.39 107071.83 <b>145032.48 165212.42</b>		
23	<b>Current borrowings</b> <b>Loans from banks</b> <b>Secured bank loans</b> <b>Working Capital Loans - Banks</b> Cash Credit 3687.51 17927.93 Buyer's Credit - Foreign Currency 4496.22 7607.41 Rupee Loan 5000.00 0.00 <b>Sub-Total (a) 13183.73 25535.34</b> <b>Unsecured bank loans</b> <b>Short Term Loans from Banks</b> Cash Credit 380.72 0.00 Export Packing Credit (EPC) - INR 5000.00 13400.00 Buyer's Credit - Foreign Currency 24792.39 14569.48 Rupee Loan 7500.00 20754.00 <b>Sub-Total (b) 37673.11 48723.48</b> <b>Total (a) + (b) 50856.84 74258.82</b>		

## NOTES TO THE FINANCIAL STATEMENTS

## Notes 19. Borrowings

## A. Terms and repayment schedule

Terms and condition of outstanding borrowings are as follows:

(₹ in Lakh)

Particulars	Note	Year of maturity	Terms of repayment	Coupon / Interest Rate	Carrying amount at 31/03/18	Carrying amount at 31/03/17
<b>Non - Current Borrowings</b>						
<b>Secured</b>						
<b>De-Inking Pulp Plant</b>						
- Export - Import Bank of India	(i)	Jul-18	Quarterly in Twenty equal installments	USD LIBOR + 350 bps	561.14	1676.00
					561.14	1676.00
- Canara Bank	(i)		N.A	1 Y MCLR	0.00	1320.00
- Indian Bank	(i)		N.A	1 Y MCLR	0.00	450.00
					0.00	1770.00
<b>Lime Sludge Fly Ash Management System</b>						
- Canara Bank	(i)		N.A	1 Y MCLR	0.00	1248.13
- Canara Bank	(i)	Sep-21	Quarterly in Eighteen equal installments	1 Y MCLR	2100.00	2700.00
					2100.00	3948.13
<b>Multi Coated Board Plant (Unit-2)</b>						
- Syndicate Bank	(ii)	Sep-21	Quarterly in Eighteen equal installments	1 Y MCLR	28776.00	37000.00
- State Bank of India (Earlier known as SBT)	(ii)	Sep-21	Quarterly in Eighteen equal installments	1 Y MCLR + 25 bps	7775.46	9999.45
- Indian Bank	(ii)	Sep-21	Quarterly in Eighteen equal installments	1 Y MCLR	15540.93	20000.00
- Canara Bank	(ii)	Sep-21	Quarterly in Eighteen equal installments	1 Y MCLR	19424.74	25000.00
- Union Bank of India	(ii)	Sep-21	Quarterly in Eighteen equal installments	1 Y MCLR	15517.26	19961.26
- The Bank of Tokyo - Mitsubishi UFJ Limited	(ii)	Apr-22	Quarterly in Twelve equal installments	7.73% p.a on a fully hedged basis + appl. withholding tax	20000.00	0.00
- Punjab and Sind Bank	(ii)		N.A	N.A	-	20000.00
					107034.39	131960.71

## NOTES TO THE FINANCIAL STATEMENTS

## Notes 19. Borrowings (continued)

(₹ in Lakh)

Particulars	Note	Year of maturity	Terms of repayment	Coupon / Interest Rate	Carrying amount at 31/03/18	Carrying amount at 31/03/17
<b>General Corporate Loan</b>						
- State Bank of India	(iii)	Feb-19	Monthly in Forty Seven unequal installments	1 Y MCLR + 25 bps	1660.00	3200.00
- Export - Import Bank of India	(iv)	Oct-19	Quarterly in Sixteen equal installments	8.75% p.a (fixed) - annual reset	4375.00	6875.00
- HDFC Bank Limited	(v)	Mar-19	Quarterly in Thirteen equal installments	1 Y MCLR	3076.92	6153.85
- Syndicate Bank	(vi)	Feb-21	Semi - annual in Eight equal installments	1 Y MCLR	7500.00	10000.00
- State Bank of India (Earlier known as SBT)	(vi)	Feb-21	Semi - annual in Eight equal installments	1 Y MCLR + 25 bps	3000.00	4000.00
- Canara Bank	(vi)	Feb-21	Semi - annual in Eight equal installments	1 Y MCLR	8250.00	11000.00
- Federal Bank	(vii)	Mar-22	Quarterly in Twelve equal installments	1 Y Gsec + 197 bps	7500.00	7500.00
- ICICI Bank	(viii)	Jun-22	Quarterly in Sixteen equal installments	8.25% p.a on a fully hedged basis	2477.64	-
- The Bank of Tokyo - Mitsubishi UFJ Limited	(viii)	Oct-22	Semi - annual in Six equal installments	7.91% p.a on a fully hedged basis + appl. withholding tax	20000.00	-
<b>Working Capital Term Loan</b>						
- ICICI Bank Limited	(viii)	Dec-18	Single repayment at the end of the term	1 Y MCLR + 45bps	5000.00	5000.00
- Kotak Mahindra Bank Limited	(ix)	Mar-22	Quarterly in Twelve equal installments	6 M MCLR	10000.00	10000.00
- ICICI Bank Limited	(x)	Sep-19	Single repayment at the end of the term	1 Y MCLR + 45bps	5000.00	5000.00
- Kotak Mahindra Bank Limited	(xi)	Jul-20	Quarterly in Twelve equal installments	6 M MCLR	4166.67	-
					82006.24	68728.85
					191701.76	208083.69
<b>Less : Current maturities of long Term Debts</b>						
- Financial Institutions					3061.14	3617.33
- Banks					43608.15	39253.94
<b>Total Non Current Borrowings</b>					145032.48	165212.42

## NOTES TO THE FINANCIAL STATEMENTS

### Notes 19. Borrowings (continued)

ECB - External Commercial Borrowings, OFC - Other Foreign Currency Loan

- (i) Secured by a first pari passu charge on fixed assets created out of respective loans.
- (ii) Secured by a first pari passu charge on fixed assets to be created at Mondipatti Village, Manappari Taluk, Trichy Dist., TN 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, TN.
- (iii) 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., TN.
- (iv) 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 assets under specific charge to other lenders) situated at Kagithapuram, Karur Dist., including an equitable mortgage by deposit of title deeds in respect of 566.26 acres of land situated at Kagithapuram, Karur District, Tamil Nadu and pari passu second charge on the current assets of the company viz., stock of raw materials, finished goods, stores and other movables.
- (v) Secured by an exclusive charge on movable & immovable properties of Mayanur Unit-equitable mortgage of 38.40 acres of Land & Buildings and charge on Plant & Machinery and subservient charge on movable plant & machinery at Kagithapuram, Karur Dt., TN
- (vi) 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.,
- (vii) First Pari Passu Charge on moveable Fixed Assets with at least 1x cover.
- (viii) Residual charge on moveable fixed assets of the company.
- (ix) Exclusive hypothecation charge on revamped power plant & machinery
- (x) Secured by residual charge on current assets of the company.
- (xi) Second hypothecation charge on fixed assets of the borrower with a minimum asset cover of 2X.

(₹ in Lakh)

Particulars	Note	Carrying amount at 31/03/18	Carrying amount at 31/03/17
<b>Current borrowings</b>			
Loans from banks			
Secured bank loans	(xii)		
Working Capital Loans - Banks			
Cash Credit		3687.51	17927.93
Buyer's Credit - Foreign Currency		4496.22	7607.41
Rupee Loan		5000.00	0.00
<b>Unsecured bank loans</b>			
Short Term Loans from Banks			
Cash Credit		380.72	0.00
Export Packing Credit(EPC)-INR		5000.00	13400.00
Buyer's Credit - Foreign Currency		24792.39	14569.48
Rupee Loan		7500.00	20754.00
<b>Total Current borrowings</b>		<b>50856.84</b>	<b>74258.82</b>

- (xii) Secured by a first charge on current asses 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 martgage 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.

### Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for the period presented.

(₹ in Lakh)

Particulars	Cash and Cash equivalents and bank over drafts	Non-current borrowings (including current maturities)	Current borrowings	Interest Payable	Total
<b>Net debt as at 01-Apr-17</b>	<b>(15882.91)</b>	<b>208083.69</b>	<b>56330.89</b>	<b>1805.52</b>	<b>250337.19</b>
<b>Cash flows</b>	<b>14419.01</b>	<b>(16406.36)</b>	<b>(9542.28)</b>	<b>-</b>	<b>(11529.63)</b>
<b>Finance costs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>24463.27</b>	<b>24463.27</b>
<b>Interest paid</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(24759.17)</b>	<b>(24759.17)</b>
<b>Exchange flucations</b>	<b>-</b>	<b>24.43</b>	<b>-</b>	<b>-</b>	<b>24.43</b>
<b>Net debt as at 31- Mar-18</b>	<b>(1463.90)</b>	<b>191701.76</b>	<b>46788.61</b>	<b>1509.62</b>	<b>238536.09</b>

**NOTES TO THE FINANCIAL STATEMENTS****Note 20 & 27 Provisions****(₹ in Lakh)**

Particulars	Non-current		Current	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
Provisions for employee benefits [Note (b)]				
Defined benefit liability - Gratuity	7387.50	6888.62	1570.30	863.84
Liability for compensated absences	3544.58	3532.48	797.45	809.52
Total provisions for employee benefits (A)	10932.08	10421.10	2367.75	1673.36
Other provisions				
Provision for decommissioning liability [Note (a)]	75.67	69.42	0.00	0.00
Total other provisions (B)	75.67	69.42	0.00	0.00
Total provisions (A+B)	11007.75	10490.52	2367.75	1673.36

**Note (a) Provision for decommissioning liability**

The Company has made a provision of ₹ 75.67 lakh (Previous Year ₹ 69.42 lakh) in respect of obligation on decommissioning of Plant & Machinery erected at various Off-sites (Sugar Mills), The unwinding of discount of ₹ 6.25 lakh (Previous Year ₹ 5.73 lakh) recognized as expenses.

**Note (b) Provisions for employee benefits****(₹ in Lakh)**

Particulars	31/03/2018	31/03/2017
Defined benefit liability - Gratuity	8957.81	7752.46
Liability for compensated absences	4342.02	4342.00
Total employee benefit liabilities	13299.83	12094.46
Non-current	10932.08	10421.10
Current	2367.75	1673.36
Total employee benefit liabilities	13299.83	12094.46

For details about the related employee benefit expenses, refer Note 33

**Reconciliation of the net defined benefit liability****(₹ in Lakh)**

Particulars	TYPE OF PLAN			
	GRATUITY		LEAVE ENCASHMENT	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017
Balance at the beginning of the year	7752.46	7470.67	4342.00	3593.46
Interest Cost	544.63	538.57	301.78	259.15
Current service cost	324.31	316.07	282.65	247.15
Past service cost	1511.23	0.00	0.00	0.00
Benefits paid	(981.57)	(1132.00)	(636.42)	(542.09)
Actuarial loss/(gain) on obligation (balancing figure)	(193.25)	559.15	52.01	784.33
Balance as at the end of the year	8957.81	7752.46	4342.02	4342.00

## NOTES TO THE FINANCIAL STATEMENTS

## i) Expense recognized in profit or loss (Note.33)

(₹ in Lakh)

Particulars	TYPE OF PLAN			
	GRATUITY		LEAVE ENCASHMENT	
	2017-2018	2016-2017	2017-2018	2016-2017
Current service cost	324.31	316.07	282.65	247.15
Net Interest on Net Defined Benefit Obligations	544.63	538.57	301.78	259.15
Net actuarial (gain)/loss recognized in the year	0.00	0.00	52.01	784.33
Past service cost	1511.23	0.00	0.00	0.00
Expenses recognized in the statement of profit and loss	2380.17	854.64	636.44	1290.63

## ii) Re-measurements recognized in other comprehensive income

(₹ in Lakh)

Particulars	TYPE OF PLAN	
	GRATUITY	
	2017-2018	2016-2017
Actuarial (gain) loss on defined benefit obligation	(193.25)	559.15
	(193.25)	559.15

## iii) Defined benefit obligation

Particulars	2017-2018		2016-2017	
	Gratuity	Leave	Gratuity	Leave
Discount Rate	7.67%	7.67%	7.50%	7.50%
Salary escalation rate	6.00%	6.00%	6.00%	6.00%
Attrition rate	5.00%	5.00%	5.00%	5.00%

## iv) Sensitivity Analysis

(₹ in Lakh)

Significant actuarial assumptions	31/03/2018		31/03/2017	
	Gratuity	Leave	Gratuity	Leave
Discount Rate				
Impact due to increase of 50 basis points	(225.41)	(122.91)	(195.53)	(120.03)
Impact due to decrease of 50 basis points	238.49	130.90	206.91	127.67
Salary escalation rate				
Impact due to increase of 50 basis points	205.91	132.38	115.47	128.90
Impact due to decrease of 50 basis points	(197.71)	(125.35)	(115.85)	(122.24)

## v) Maturity Profile of Defined Benefit Obligation

Defined Benefits	31/03/2018	31/03/2017
<b>Gratuity</b>		
Less than one Year	1140.32	928.62
One to Three Years	3729.93	3305.39
Three to Five Years	2248.59	1905.77
More than Five years	2833.20	2496.70
<b>Leave Encashment</b>		
Less than one Year	440.46	482.94
One to Three Years	1270.17	1355.55
Three to Five Years	837.23	915.25
More than Five years	1265.59	1319.66



## NOTES TO THE FINANCIAL STATEMENTS

### 21. Movement in deferred tax balances

(₹ in Lakh)

Particulars	Net deferred tax (assets) liabilities		
	31/03/2017	During the year	31/03/2018
<b>Recognized in profit and loss:</b>			
Property ,Plant and equipment	68578.74	<b>4075.80</b>	<b>72654.54</b>
Intangible assets	(156.96)	<b>(5.59)</b>	<b>(162.55)</b>
Biological assets	37.68	<b>4.26</b>	<b>41.94</b>
Finance Cost - Decommissioning Liability	(22.94)	<b>0.38</b>	<b>(22.56)</b>
Lease rent & Provision for loss allowance	(41.30)	<b>(61.34)</b>	<b>(102.64)</b>
Disallowance of expenses U/sec., 43B	(1435.68)	<b>984.80</b>	<b>(450.88)</b>
Tax losses carried forward - unabsorbed depreciation	(21303.77)	<b>(3055.32)</b>	<b>(24359.09)</b>
Employee Benefits Plan	(3940.77)	<b>(526.99)</b>	<b>(4467.76)</b>
Tax Credits - MAT Credit Entitlement	(20945.93)	<b>0.72</b>	<b>(20945.21)</b>
	20769.07	<b>1416.72</b>	<b>22185.79</b>
<b>Recognized in other comprehensive income :</b>			
Remeasurement of defined benefit plans	(95.21)	<b>66.88</b>	<b>(28.33)</b>
Investments at fair value through OCI	(2.38)	<b>0.00</b>	<b>(2.38)</b>
Derivatives	(88.22)	<b>99.62</b>	<b>11.40</b>
	(185.81)	<b>166.50</b>	<b>(19.31)</b>
	20583.26	<b>1583.22</b>	<b>22166.48</b>

### Tax losses carried forward

Tax losses never expires for which deferred tax asset was recognized as follows:

(₹ in Lakh)

Particulars	AS at 31/03/2018	AS at 31/03/2017	Expiry date
Expire	-	-	-
Never expire	<b>24359.09</b>	21303.77	-

(₹ in Lakh)

Notes	Particulars	As at 31/03/2018	As at 31/03/2017
22	<b>Other Non-current Liabilities</b>		
	Government grants	<b>27.70</b>	28.90
	Deferred Rent Payable	<b>3.69</b>	3.91
		<b>31.39</b>	32.81

### Government grants

The company has recognized in its books Government subsidy of ₹ 30 lakh for creation of environment protection infrastructure facility at Board Plant. As subsidy relates a specific asset, the same was treated as deferral income and amortized over the useful life of the asset.

### Deferred Rent Payable

TNPL has taken Government lands for lease (Operating lease) for the purpose of captive plantations. The lease period is for thirty years. Incremental rent on year on year basis is applicable till the end of 4<sup>th</sup> year and thereafter it will be flat.

**NOTES TO THE FINANCIAL STATEMENTS****(₹ in Lakh)**

Notes	Particulars	As at 31/03/2018	As at 31/03/2017
24	<b>Trade payables</b>		
	Trade payables to related parties	-	-
	Other trade payables		
	Acceptances	20296.27	8396.84
	Sundry Creditors		
	a) Micro and Small Enterprises	181.68	11.55
	b) Others	56388.32	45705.29
		<b>76866.27</b>	<b>54113.68</b>

All trade payables are 'current'

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 41

**(₹ in Lakh)**

Particulars	As at 31/03/2018	As at 31/03/2017
Amount due to Micro, Small and Medium Enterprises Development Act, 2006 registered suppliers (Based on the status confirmation received from suppliers)		
a) Amount due and outstanding to suppliers at the end of accounting year	181.68	11.55
b) Interest paid during the year	-	-
c) Interest payable at the end of accounting year	-	-
d) Interest accrued and unpaid at the end of accounting year	-	-

**(₹ in Lakh)**

Notes	Particulars	As at 31/03/2018	As at 31/03/2017
25	<b>Other Financial Liabilities</b>		
	Current maturities of Long Term Debt	46669.28	42871.27
	Interest accrued but not due	1509.62	1805.52
	Security Deposits from customers/contractors	6515.97	5970.47
	Unclaimed Dividend	115.80	99.60
	Employee related Liabilities	1854.58	1555.24
	Derivative Liabilities	162.32	1814.41
	Creditors for Capital Goods	3614.01	2711.38
		<b>60441.58</b>	<b>56827.89</b>

**(₹ in Lakh)**

Notes	Particulars	As at 31/03/2018	As at 31/03/2017
26	<b>Other Current Liabilities</b>		
	Advance received from customers	15362.12	406.72
	Tax Payables	1418.62	761.89
	Tax Deducted at Source	465.44	361.74
	Other payables	5893.62	6652.77
		<b>23139.80</b>	<b>8183.12</b>

The Company's exposure to currency and liquidity risks related to above financial liabilities is disclosed in Notes 41

**# Other payables includes:**

- ₹ 2410.35 lakh being the guarantee commission in respect of IBRD Loan guaranteed by Govt. of India lying since 2002
- ₹ 1753.69 lakh being Electricity Generation Tax for the generation of energy from captive generation plant for own use.
- Confirmation of balances from Creditors have been received and the same is being reconciled

## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakh)

Notes	Particulars	For the Year ended 31/03/2018	For the Year ended 31/03/2017
<b>28</b>	<b>Revenue from Operations</b>		
	<b>Sale of Products (including excise duty)</b>		
	Printing & Writing Paper		
	- Domestic Sales	<b>178170.50</b>	217619.60
	- Export Sales	<b>43811.09</b>	43152.56
		<b>221981.59</b>	260772.16
	Less: Discounts	<b>20272.08</b>	24060.61
		<b>201709.51</b>	236711.55
	Packaging Board		
	- Domestic Sales	<b>65704.03</b>	39917.00
	- Export Sales	<b>9788.55</b>	2520.99
		<b>75492.58</b>	42437.99
	Less: Discounts	<b>3785.37</b>	861.20
		<b>71707.21</b>	41576.79
	Cement	<b>12041.24</b>	13178.97
	Pulp	<b>0.00</b>	785.92
	Sale of Energy	<b>1711.49</b>	1917.36
	<b>Sale of Traded Goods</b>		
	Note Books	<b>10238.65</b>	10711.55
	Paper	<b>0.00</b>	12.37
	Coal	<b>8970.88</b>	703.95
	Burnt Lime	<b>0.00</b>	54.75
	<b>Total sale of products (including excise duty) (a)</b>	<b>306378.98</b>	305653.21
	<b>Other Operating revenue</b>		
	Export Incentive	<b>3047.61</b>	1486.05
	Sale of Renewable energy certificates (REC)	<b>1507.44</b>	1250.64
	Sale of scrap, wastes etc.	<b>1576.27</b>	1787.24
	<b>Total other operating revenue (b)</b>	<b>6131.32</b>	4523.93
	<b>Total revenue from operations (a+b)</b>	<b>312510.30</b>	310177.14

**NOTES TO THE FINANCIAL STATEMENTS****(₹ in Lakh)**

Notes	Particulars	For the Year ended 31/03/2018	For the Year ended 31/03/2017
<b>29</b>	<b>Other Income</b>		
	Interest income under the effective interest method on:		
	Interest on advances to sugar mills & interest on over due bills	<b>1960.57</b>	1405.61
	Change in fair value of biological assets	<b>11.16</b>	206.86
	Net gain on sale of Property, plant and equipment	<b>0.95</b>	12.93
	Rental - Building	<b>117.53</b>	113.37
	VAT / GST Refund - Note (i)	<b>565.28</b>	908.61
	Government Grants - Note (ii)	<b>1.20</b>	193.60
	Other receipts	<b>703.56</b>	854.47
		<b>3360.25</b>	3695.45
<b>30</b>	<b>Cost of Purchase / Materials Consumed</b>		
	Raw materials consumed - Note (iii)	<b>92598.08</b>	67504.71
	Chemicals consumed - Note (iv)	<b>25578.14</b>	25831.91
	Freight & Handling charges	<b>4229.11</b>	5791.51
	Packing Expenses	<b>6406.14</b>	6159.93
	Bagasse purchased	<b>4511.95</b>	2961.28
		<b>133323.42</b>	108249.34
<b>31</b>	<b>Purchase of Stock-in-trade</b>		
	Note Books	<b>9031.68</b>	8784.22
	Coal	<b>7802.95</b>	621.51
	Burnt lime	<b>0</b>	41.29
		<b>16834.63</b>	9447.02

Notes :

- (i) The Company is entitled to Net Output VAT and CST refund in terms of GO (Ms) No 212/5.9.2015 for a period of twelve years from the Date of Commercial Production with GST compensation clause in the said G.O. The company has recognized ₹ 205 lakh for the period upto 30<sup>th</sup> June, 2017. On implementation of GST with effective from 01.07.2017, in the absence of guidelines on eligibility of IGST/CGST for GST Refund entitlement, the Company has considered only Net output SGST amounting to ₹ 360 lakh totaling to ₹ 565.28 lakh for the financial year 2017-18. Net Output VAT/GST Refund includes VAT paid net off input credit upto 30<sup>th</sup> June 2017 and SGST paid net off GST credit w.e.f 1<sup>st</sup> July 2017 relating to Unit-2 as per the Incentive scheme sanctioned by Government of Tamil Nadu.
- (ii) Government grants includes one-time project general subsidy of ₹ Nil. (Previous Year ₹ 192.50 lakh), which is not related to any specific fixed assets has been recognised as other income and Effluent Treatment Plant (ETP) subsidy of ₹ 1.20 lakh (Previous Year ₹ 1.10 lakh) is being related to specific fixed asset has been recognised as other income over the useful life of the asset.
- (iii) Excluding cost of bagasse procured in lieu of steam / fuel supplied to Sugar Mills which is included in the respective natural heads of accounts.
- (iv) Includes embedded lease rent of ₹ 48 lakhs to M/s.OMYA towards procurement of Wet Precipitated Calcium Carbonate / Wet Grinded Calcium Carbonate as it is considered as a part of cost of chemicals.

## NOTES TO THE FINANCIAL STATEMENTS

(₹ in Lakh)

Notes	Particulars	For the Year ended 31/03/2018	For the Year ended 31/03/2017
32	<b>Changes in Inventories of Bagasse, Work-in-Progress and Finished Goods</b>		
	<b>Opening Stock :</b>		
	Bagasse	13211.58	7895.18
	Work in Progress	13075.00	6120.97
	Finished Goods	12234.77	13082.10
	Traded Goods	319.79	430.91
	<b>Sub total (a)</b>	<b>38841.14</b>	<b>27529.16</b>
	<b>Closing Stock:</b>		
	Bagasse	6993.33	13211.58
	Work in Progress	9275.71	13075.00
33	Finished Goods	10992.17	12234.77
	Traded Goods	484.01	319.79
	<b>Sub total (b)</b>	<b>27745.22</b>	<b>38841.14</b>
	<b>(a-b)</b>	<b>11095.92</b>	<b>(11311.98)</b>
34	<b>Employee Benefit Expenses</b>		
	Salaries, Wages and Bonus	17146.75	17600.13
	Contribution to provident fund & Other funds	2420.26	2740.38
	Gratuity and Leave Encashment	3016.61	2145.27
	Staff Welfare expense	2050.64	2199.38
		<b>24634.26</b>	<b>24685.16</b>
35	<b>Finance Costs</b>		
	Interest expense on financial liabilities measured at amortized cost		
	Term Loans	17434.28	19119.32
	Working Capital	4779.53	4689.90
	Other Finance costs	2243.73	1387.18
	Unwinding of discount on decommissioning liabilities	5.73	5.73
		<b>24463.27</b>	<b>25202.13</b>
35	<b>Depreciation and Amortization Expenses (Note No.4)</b>		
	Depreciation of property, plant and equipment	21592.43	20057.89
	Depreciation on investment property	1.99	1.93
	Amortization of intangible assets	588.86	708.04
		<b>22183.28</b>	<b>20767.86</b>

**NOTES TO THE FINANCIAL STATEMENTS****(₹ in Lakh)**

Notes	Particulars	For the Year ended 31/03/2018	For the Year ended 31/03/2017
<b>36</b>	<b>Other Expenses</b>		
	Stores consumed	1642.16	1863.78
	Repairs and maintenance:		
	- Building	1210.01	977.67
	- Plant and machinery	15207.30	16613.89
	- Others	599.06	530.95
	Rent	146.22	171.80
	Rates and Taxes*	(447.85)	(125.89)
	Insurance	336.77	352.26
	Transportation Charges	6044.67	5940.05
	Commission & Discount on Sales	5890.72	6292.13
	Travelling & Conveyance	424.20	410.08
	Auditors' Remuneration - Note no.40 (c )	19.64	15.75
	Printing and Stationery	107.57	126.05
	Communication	158.48	160.22
	Advertisement	656.32	780.43
	Farm Forestry	527.83	605.53
	Allowance for bad and doubtful debts	174.19	93.51
	Loss on Foreign Exchange Fluctuations (Net)	2152.47	1779.27
	Security Personnel Expenses	837.42	749.14
	Vehicle Hire Charges	360.21	394.75
	Corporate Social Responsibility (CSR)	255.22	504.99
	Provision for impairment of asset	29.90	0.00
	Miscellaneous	1471.31	1513.05
		<b>37803.82</b>	<b>39749.42</b>

\* Includes reserval of diffencial excise duty provision ₹ 673.41 lakh on implementation of GST w.e.f. 1<sup>st</sup> July,2017

**Note 37. Income tax****a) Amounts recognized in profit or loss****Tax expense recognized in the Statement of Profit and Loss****(₹ in Lakh)**

Particulars	For the year ended 31/03/2018	For the year ended 31/03/2017
<b>Current tax</b>		
Current Tax on taxable income for the year	0.00	6587.00
<b>Deferred tax</b>		
Deferred tax charge / (MAT Credit Entitlement)	1416.00	(2205.00)
Tax in respect of earlier years	0.72	(217.57)
<b>Total tax expenses</b>	<b>1416.72</b>	<b>4164.43</b>



**NOTES TO THE FINANCIAL STATEMENTS****b) Income tax recognized in other comprehensive income****(₹ in Lakh)**

Particulars	For the year ended 31/03/2018		
	Before tax	Tax (expense) benefit	Net of tax
Remeasurement of defined benefit liability	193.24	66.88	126.36
Fair value equity investments through OCI	(4.06)	-	(4.06)
Effective portion of gains (losses) on hedging instruments in cash flow hedges	287.85	99.62	188.23
	477.03	166.50	310.53

**(₹ in Lakh)**

Particulars	For the year ended 31/03/2017		
	Before tax	Tax (expense) benefit	Net of tax
Remeasurement of defined benefit liability	(559.15)	(193.51)	(365.64)
Fair value equity investments through OCI	7.99	2.77	5.22
Effective portion of gains (losses) on hedging instruments in cash flow hedges	(524.38)	(181.48)	(342.90)
	(1075.54)	(372.22)	(703.32)

**c) Reconciliation of effective tax rate**

A reconciliation of the income tax expenses to the amount computed by applying the statutory income tax rate to the profit before income taxes is summarized below:

**(₹ in Lakh)**

Particulars	For the year ended 31/03/2018	For the year ended 31/03/2017
Profit before tax	(2798.73)	30620.82
Income tax rate the Company	34.608%	34.608%
Current tax expenses on Profit before tax expenses	(968.58)	10597.25
Tax effect of:		
Permanent disallowances		
CSR Expenditure as per Sec.135 of Companies Act 2013	88.33	215.65
Permanent allowances		
Investment Allowance-Unit 2-15% on ₹ 145061 lakhs	0.00	(7530.42)
Temporary differences	2309.34	111.86
Tax in respect of earlier years	0.72	(217.57)
Other items	(13.09)	987.66
Total income tax expense/(credit)	1416.72	4164.43
Effective tax Rate	50.62%	13.60%

## NOTES TO THE FINANCIAL STATEMENTS

### Note 38. Operating leases

#### A) Leases as lessor

The Company leases out its investment property on operating lease basis (Notes 6).

#### i) Future minimum lease receivable

At 31<sup>st</sup> March, the future minimum lease payments under non-cancellable leases are receivable as follows

(₹ in Lakh)

Particulars	As at 31/03/2018	As at 31/03/2017
Within less than one year	46.33	-
Between one and five years	-	157.60
After more than five years	-	-
	46.33	157.60

#### ii) Amounts recognized in profit and loss - Grouped under other income Note 29

During the year ended 31<sup>st</sup> March 2018, property rentals of ₹ 117.53 lakhs (31 March 2017: ₹ 113.37 lakhs have been included in other income (Note 29) in profit or loss, is as follows:

(₹ in Lakh)

Particulars	For the year ended 31/03/2018	For the year ended 31/03/2017
Income from Investment property	105.40	105.33

#### B) Leases as lessee

TNPL has taken Government lands for lease (Operating lease) for the purpose of captive plantations. The lease period is for thirty years. Incremental rent on year basis is applicable till the end of 4<sup>th</sup> year and thereafter it will be flat.

#### i) Future minimum lease payments

At 31 March, the future minimum lease payments to be made under non-cancellable operating leases are as follows

(₹ in Lakh)

Particulars	As at 31/03/2018	As at 31/03/2017
Payable in less than one year	6.54	6.54
Payable between one and five years	16.88	19.19
Payable after more than five years	45.99	50.22
Total	69.41	75.95

#### ii) Amounts recognized in profit and loss - Grouped under other expenses - Note 36

(₹ in Lakh)

Particulars	For the year ended 31/03/2018	For the year ended 31/03/2017
Lease expense - minimum lease payments	6.54	6.54

## NOTES TO THE FINANCIAL STATEMENTS

### Note 39. Contingent liabilities and Commitments (to the extent not provided for)

(₹ in Lakh)

Particulars	As at 31/03/2018	As at 31/03/2017
<b>Contingent liabilities</b>		
<b>Claims against the Company not acknowledged as debts</b>		
<b>a) Claims against the company not acknowledged as debts - Statutory Dues</b>		
i) Income-tax	2345.77	2802.96
ii) Wealth Tax	19.46	19.46
iii) Custom Duty	2708.36	2536.31
iv) Excise Duty	24025.90	41132.78
v) CST/VAT	1069.62	690.98
The disputed demand is on account of various disallowances, tax/duty claims in respect of income tax, wealth tax, excise duty, customs duty and sales tax which are pending before various appellate forums/authorities and courts. Pending resolution of the respective proceedings, it is not practicable for the company to estimate the timing of the cash flow, if any, in respect of above, as it is determinable only on receipt of judgements / decision.		
<b>b) Claims against the company not acknowledged as debts - Others</b>		
i) Corporate Office - Land - Interest demanded by Public Works Dept., Government of Tamil Nadu for the remittance towards cost of the land. There was no delay on the part of TNPL to remit the payment.	22.80	22.80
ii) Land Acquisition Claims - Land acquisition claims for enhanced compensation preferred by Land owners. The compensation was paid as per Government norms.	105.18	104.75
iii) Cess on Land Lease - The land value fixed is very high. The Company has never been bestowed with the absolute usage of land and has been requesting the Government to re-fix the land value based on the prevailing guideline value as published in the Government web site instead of escalating the original value by 12% per annum on compounding basis.	92.74	92.74
iv) Lease - The Company availed lease finance of 3 MW Wind Mill in the year 2001 with lease rental payable up to 31.03.2007 and has not opted for a secondary lease. Pending the closure of the taxation related matters with the taxation authorities, the lessor has not transferred the assets to the company.	8.12	8.12
v) Interest in ABFSL - Suit filed by the Company to recover deposits in Approved Securities along with interest. The court decreed the suit in favour of the company and received the amount. On appeal preferred by ABFSL, the court has also reduced the interest even for the contracted period. As per Supreme Court direction, the company has deposited the amount along with interest in Madras High Court.	138.24	138.24
vi) Chief Electrical Inspector claims interest on Generation Tax for the belated payment towards Generation tax on captive consumption.	3257.17	3007.83
vii) Tamil Nadu Generation & Distribution Corporation Ltd claims towards various charges for Start-up power, Cross subsidy surcharge, Transmission charge, Compensation Charges, Parallel Operation Charges, Wind farm-CDM Benefit Sharing & Wind Farm Unutilized Banked units pending before appellate authority and courts	2345.45	1842.01
viii) The appeal is pending before Appellate Tribunal for Electricity (APTEL) for exemption of Renewable Energy Purchase Obligation (RPO) compliance.	3490.10	1079.00
ix) Third party claims arising from disputes relating to contracts pending before Tribunal/Courts.	456.39	309.70
Note: It is not practicable for the company to estimate the timing of cash outflows, if any, in respect of the above pending resolution of respective proceedings. The company does not expect any reimbursement in respect of the above contingent liabilities.		
c) Concession in customs duty availed for imports cleared under EPCG Scheme	23965.25	21537.36
d) Revenue sharing agreement under captive plantation	<b>Non-Quantifiable</b>	
e) Guarantees issued by the banks on behalf of the Company	2470.67	2093.64
f) Letter of Credit issued by banks on behalf of the Company	34867.00	27749.97
<b>Total</b>	<b>101388.22</b>	<b>105168.65</b>
<b>Commitments</b>		
a) Estimated amount of contracts remaining to be executed on capital account and not provided for	2144.96	1743.74
b) Purchase of PCC Chemicals from M/s. OMYA-If the minimum quantity is not lifted and increase in imported input material cost, the Company has to compensate M/s. OMYA as per agreement.	Nil	Non - Quantifiable
c) Proposed dividend & Dividend Distribution Tax	4171.85	6247.52
<b>Total</b>	<b>6316.81</b>	<b>7991.26</b>

## NOTES TO THE FINANCIAL STATEMENTS

## Note 40. Additional Information :

(₹ in Lakh)

Particulars	2017-2018	2016-2017
I) Additional Information :		
a) Value of Raw Materials, Chemicals, Stores & Spare Parts consumed		
i) Major Raw Materials consumed		
a) Indigenous		
Wood	17105.38	20538.96
Bagasse @	21674.20	23932.45
Waste Paper	11119.60	7588.42
LSFM - Raw Materials	5289.14	4285.46
Pulp	1289.90	7991.76
<b>Total (a)</b>	<b>56478.22</b>	<b>64337.05</b>
b) Imported		
Imported Pulp	42495.88	20411.46
Waste Paper	17285.83	11203.37
<b>Total (b)</b>	<b>59781.71</b>	<b>31614.83</b>
<b>Total - (a) + (b)</b>	<b>116259.93</b>	<b>95951.88</b>
Indigenous - Percentage on Total Consumption	48.58%	67.05%
Imported - Percentage on Total Consumption	51.42%	32.95%
	100.00%	100.00%
@ Bagasse is procured both from open market and under barter arrangement with various sugar mills by exchanging 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		
ii) Chemical consumed		
Indigenous	24937.25	25296.78
Imported	640.89	535.13
<b>Total</b>	<b>25578.14</b>	<b>25831.91</b>
Indigenous - Percentage on Total Consumption	97.49%	97.93%
Imported - Percentage on Total Consumption	2.51%	2.07%
	100.00%	100.00%
iii) Stores and Spares consumed		
Indigenous	8439.76	9139.88
Imported	2657.66	2350.26
<b>Total</b>	<b>11097.42</b>	<b>11490.14</b>
Indigenous - Percentage on Total Consumption	76.05%	79.55%
Imported - Percentage on Total Consumption	23.95%	20.45%
	100.00%	100.00%
iv) Fuel (Coal , Furnace oil etc)		
Factory		
Indigenous	10067.18	3471.92
Imported	23797.42	20116.52
<b>Sub-Total (a)</b>	<b>33864.60</b>	<b>23588.44</b>
Offsites		
Indigenous	348.85	524.34
Imported	6636.95	18289.63
<b>Sub-Total (b)</b>	<b>6985.80</b>	<b>18813.97</b>
<b>Total (a) + (b)</b>	<b>40850.40</b>	<b>42402.41</b>
Indigenous - Percentage on Total Consumption	25.50%	9.42%
Imported - Percentage on Total Consumption	74.50%	90.58%
	100.00%	100.00%

## NOTES TO THE FINANCIAL STATEMENTS

## Note 40. Additional Information (Continued...)

(₹ in Lakh)

Particulars	2017-2018	2016-2017
<b>b) Foreign Currency Transactions:</b>		
<b>i) Earnings in Foreign Currency</b>		
FOB Value of Exports	51706.34	41472.93
<b>ii) Value of imports calculated on CIF values</b>		
Wood pulp	38519.06	24681.49
Chemicals	1228.85	474.90
Waste Paper	16314.54	10234.86
Stores & Spares	2857.86	2958.20
Coal	23616.22	30608.69
Capital Goods	6009.74	301.05
<b>iii) Other expenditure in Foreign Currency</b>		
Engineering and Supervisory Charges	374.65	1775.21
Interest	837.14	479.24
Others	207.57	187.45
<b>iv) Dividend remitted in Foreign Currency</b>	2016-17	2015-16
No. of Non-Resident Shareholders	6.00	6.00
No. of Share held by Non-Resident Shareholders	1900.00	1900.00
Dividend	0.14	0.14
<b>c) Details of Auditors Remuneration</b>	2017-2018	2016-2017
a) Statutory audit	10.00	10.00
b) Limited Review	3.00	3.00
c) Tax audit	2.00	2.00
d) Certification fees	4.64	0.75
<b>Total</b>	19.64	15.75
<b>d) Expenditure on Research &amp; Development</b>		
Salaries & Wages	276.35	298.29
Repairs and Maintenance	97.85	32.11
Depreciation	43.40	38.32
Chemicals	462.76	373.08
Plantation Research	41.06	79.51
<b>Total</b>	921.42	821.31
<b>Note:</b>		
The above items have been included under the respective natural heads of expenditure in Statement of Profit and Loss.		
<b>e) Related parties transactions</b>		
<b>i) Ultimate controlling party</b>		
The ultimate controlling party of the Company is Governor of Tamil Nadu representing Government of Tamil Nadu		
<b>ii) Transactions with Key Managerial Personnel - Key Management Compensation</b>		
Short-term employee benefits	85.82	70.99
Other Long Term Benefits	11.34	3.30
	97.16	74.29

## NOTES TO THE FINANCIAL STATEMENTS

## Note 41. Financial Instruments and risk management

## A) Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	Carrying amount as at 31/03/2018				Carrying amount as at 31/03/2017				(₹ in Lakh)
	Fair value - Hedging instruments	FVOCI - Equity instruments	Other financial assets - Amortized cost	Other financial liabilities	Fair value - Hedging instruments	FVOCI - Equity instruments	Other financial assets - Amortized cost	Other financial liabilities	
<b>Financial assets measured at fair value</b>									
Advances to sugar mills	-	-	7693.99	-	-	-	8496.15	-	
Equity securities	-	103.12	-	-	-	107.18	-	-	
	-	103.12	7693.99	-	-	107.18	8496.15	-	
<b>Financial assets not measured at fair value</b>									
Trade receivables*	-	-	59876.19	-	-	-	53393.57	-	
Cash and cash equivalents*	-	-	2720.13	-	-	-	2144.62	-	
Loans*	-	-	3735.26	-	-	-	2883.25	-	
	-	-	66331.58	-	-	-	58421.44	-	
<b>Financial liabilities measured at fair value</b>									
Forward exchange contracts used for hedging	162.32	-	-	-	1814.41	-	-	-	
	162.32	-	-	-	1814.41	-	-	-	
Financial liabilities not measured at fair value									
Borrowings	-	-	-	242558.60	-	-	-	282342.51	
Trade payables	-	-	-	76866.27	-	-	-	54113.68	
Interest accrued but not due	-	-	-	1509.62	-	-	-	1805.52	
Security Deposits from customers/ contractors	-	-	-	6515.97	-	-	-	5970.47	
Employee related Liabilities	-	-	-	1854.58	-	-	-	1555.24	
Unclaimed Dividend	-	-	-	115.80	-	-	-	99.60	
Creditors for Capital Goods	-	-	-	3614.01	-	-	-	2711.38	
	-	-	-	333034.85	-	-	-	348598.40	

\* The Company has not disclosed the fair values for financial instruments such as short-term trade receivables, because their carrying amounts are a reasonable approximation of fair value



## NOTES TO THE FINANCIAL STATEMENTS

### Note 41. Financial Instruments and risk management (continued...)

The following table shows the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the balance sheet, as well as the significant unobservable inputs used.

(₹ in Lakh)

Particulars	Fair value - 31/03/2018			Fair value - 31/03/2017		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
<b>Financial assets measured at fair value</b>						
Advances to sugar mills		7693.99			8496.15	
Equity securities	103.12			107.18		
	103.12			107.18		
<b>Financial liabilities measured at fair value</b>						
Forward exchange contracts used for hedging		162.32			1814.41	
		162.32			1814.41	

### B) Measurement of fair values

#### i. Valuation techniques and significant unobservable inputs

Type of Financial instruments	Valuation technique	Significant unobservable inputs
<b>Financial instruments measured at fair value</b>		
Equity securities	Forward pricing: The fair value is determined using quoted market rates at the reporting date.	Not applicable
Forward exchange contracts	Forward pricing: The fair value is determined using quoted market rates at the reporting date.	Not applicable

### C. Financial risk management

The Company has exposure to the following risks arising from financial instruments:

- Credit Risk (see (C)(ii));
- Liquidity Risk (see (C)(iii)); and
- Market Risk (see (C)(iv)).

#### i. Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the company's risk management framework. The Company's risk management policies are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company's activities.

The Company's audit committee oversees how management monitors compliance with the company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the company. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee.

#### ii. Credit Risk

Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company's receivables from customers and loans. The carrying amounts of financial assets represent the maximum credit risk exposure.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 41. Financial Instruments and risk management (continued...)

#### Trade receivables and loans

The company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base.

The company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the company's standard payment and delivery terms and conditions are offered. Sale limits are established for each customer and reviewed quarterly. Any sales exceeding those limits require approval from the management of the company.

The company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 90 days for customers. More than 85% of the company's customers have been transacting with the company for over four years, and none of these customers' balances are credit-impaired at the reporting date.

The movement in the allowance for impairment in respect of trade receivables and loans is as follows:

(₹ in Lakh)

Particulars	As at 31/03/2018	As at 31/03/2017
Balance as on 1 <sup>st</sup> April	180.82	87.31
Net remeasurement of loss allowance - during the year	174.19	93.51
Balance as at 31 <sup>st</sup> March	355.01	180.82

Confirmation of balances from Debtors & Loans and Advances have been received and the same is being reconciled

#### Cash and cash equivalents

The company holds cash and cash equivalents of ₹ 2720.13 lakhs at 31<sup>st</sup> March 2018 (31<sup>st</sup> March 2017: ₹ 2144.62 lakhs). The cash and cash equivalents are held with bank and cash on hand.

#### Derivatives

The derivatives are entered into with bank as counterparties.

#### iii. Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company's reputation. The company uses process costing to cost its products, which assists it in monitoring cash flow requirements and optimizing its cash return on investments.

#### iv. Market Risk

Market risk is the risk that changes in market prices – such as foreign exchange rates and interest rates – will affect the company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

#### Currency Risk

"The company is exposed to transactional foreign currency risk to the extent that there is a mismatch between the currencies in which sales, purchases, receivables and borrowings are denominated and functional currency. The functional currency of the Company is INR. The currencies in which these transactions are primarily denominated are US dollars.

The Company Forex risk management policy is to hedge currency exchange fluctuation and mitigate currency volatility and risks and to avoid uncertainties in cash flows. All foreign currency exposures – financial assets and liabilities and firm commitments (imports) & probable forecast transactions (exports) which are off-balance sheet exposures are covered under FRMP policy. Hedging of trade exposures viz., imports and exports are hedged separately and not on net exposures basis. The company mostly uses forward exchange contracts to hedge its currency risks mostly with the maturity of less than one year from the reporting date. Forward contracts booked to hedge currency risk relating to foreign currency transactions of firm commitments and probable forecast transactions are generally designated as cash flow hedge. All other forward contracts are designated as fair value hedge for the purpose of accounting.

## NOTES TO THE FINANCIAL STATEMENTS

### Note 41. Financial Instruments and risk management (continued...)

#### Cash Flow Hedges

The Company holds the following instruments to hedge exposures to changes in foreign currency (₹ in Lakh)

Particulars	As at 31/03/2018	As at 31/03/2017
	Maturity - 1- 6 Months	
<b>Foreign Currency Risk</b>		
<b>Forward Exchange Contracts</b>		
Exports	<b>7035.22</b>	3733.10
Imports	<b>783.97</b>	19163.01
Average INR:USD forward contract rate - Exports	<b>65.92</b>	69.07
Average INR:USD forward contract rate - Imports	<b>65.39</b>	65.44

The amount at the reporting date relating to items designated as hedged items & Hedge instruments are as follows:

(₹ in Lakh)

Particulars	Change in value used for calculating hedge ineffectiveness	Effective portion of Cash flow hedges
<b>As at 31.03.2018</b>		
<b>Foreign Currency risk</b>		
<b>Exports Sales</b>	<b>0.00</b>	<b>30.90</b>
<b>Imports - Materials</b>	<b>37.64</b>	<b>2.04</b>
<b>As at 31.03.2017</b>		
<b>Foreign Currency risk</b>		
<b>Exports Sales</b>	0.00	181.88
<b>Imports - Materials</b>	0.00	(436.79)

Reconciliation by risk category of components of equity and analysis of OCI items, net of tax, resulting from cash flow hedge accounting

(₹ in Lakh)

Particulars	Effective portion of Cash flow Hedges		Total
	Imports	Exports	
Balance as at 01.04.2017	(436.79)	181.88	(254.91)
Changes in fair value	(133.86)	158.40	24.54
Amount reclassified to Statement of Profit and Loss / included in the cost of non-financial items	(570.65)	340.28	(230.37)
Change in the fair value of the effective portion of the outstanding cash flow hedges	2.04	30.90	32.94
<b>Balance as at 31.03.2018</b>	<b>2.04</b>	<b>30.90</b>	<b>32.94</b>

### Note 42. Operating segments

#### A) Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Company's Board of Directors (BoD) to make decisions about resources to be allocated to the segments and assess their performance.

The Company has three reportable segments, as described below, which are the Company's strategic business units. For each of the business units the Company's Board of Directors reviews internal management reports on at least a quarterly basis.

#### B) Information about reportable segments and reconciliations

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit (before tax), as included in the internal management reports that are reviewed by the Company's Board of Directors. Segment profits is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

## NOTES TO THE FINANCIAL STATEMENTS

## Note 42. Operating segments (continued...)

(₹ in Lakh)

Particulars	Year Ended 31/03/2018	Year Ended 31/03/2017	Year Ended 31/03/2018	Year Ended 31/03/2017	Year Ended 31/03/2018	Year Ended 31/03/2017	Year Ended 31/03/2018	Year Ended 31/03/2017
	PAPER & BOARD		ENERGY		CEMENT		TOTAL	
<b>1. Segment Revenue</b>								
a) External Sales	292626.25	290556.88	1711.49	1917.36	12041.24	13178.97	306378.98	305653.21
b) Inter Segment Sales	0.00	0.00	40559.68	34521.58	111.74	297.92	40671.42	34819.50
Sub-Total	292626.25	290556.88	42271.17	36438.94	12152.98	13476.89	347050.40	340472.71
Reconciliation : Less: Inter Segment Revenue	0.00	0.00	40559.68	34521.58	111.74	297.92	40671.42	34819.50
Sale of products (including excise duty)	292626.25	290556.88	1711.49	1917.36	12041.24	13178.97	306378.98	305653.21
Add: Other operating income							6131.32	4523.93
Total revenue from operations	292626.25	290556.88	1711.49	1917.36	12041.24	13178.97	312510.30	310177.14
<b>2. Segment Results</b>								
Segment profit (loss) before income tax	16160.00	49887.15	81.00	660.00	(1270.00)	1149.00	14971.00	51696.15
Less: Other unallocable expenditure							17769.73	21075.33
Segment profit (loss) before income tax							(2798.73)	30620.82
Segment profit (loss) before income tax includes:								
- Interest Expense							24463.27	25202.13
- Interest Revenue							1960.57	1405.61
- Depreciation and amortisation	18466.87	17506.32	2601.17	2418.77	1023.32	747.97	22091.36	20673.06
- Depreciation for unallocated corporate assets							91.92	94.80
<b>3. Assets</b>								
Segment Assets	459426.66	445312.23	66248.00	67069.50	17980.00	21267.00	543654.66	533648.73
Unallocated Corporate Assets							8811.00	29790.51
Total segment assets	459426.66	445312.23	66248.00	67069.50	17980.00	21267.00	552465.66	563439.24
Capital Expenditure (excludes unallocated corporate capital expenditure of ₹ 57.31 lakh. (previous year ₹ 90.46 lakh)	18527.68	158140.68	424.05	28358.39	420.50	405.97	19372.23	186905.04
<b>4. Segment Liabilities</b>	79598.86	59763.24	2613.93	2609.32	1582.60	8236.58	83795.38	70609.14
Unallocated Corporate Liabilities							308357.47	322364.86
Total segment liabilities	79598.86	59763.24	2613.93	2609.32	1582.60	8236.58	392152.85	392974.00

**NOTES TO THE FINANCIAL STATEMENTS****Geographical information****(₹ in Lakh)**

Particulars	India		Rest of the world		Total	
	31/03/2018	31/03/2017	31/03/2018	31/03/2017	31/03/2018	31/03/2017
Revenue from Operations	<b>252779.34</b>	259979.66	<b>53599.64</b>	45673.55	<b>306378.98</b>	305653.21

**Major Country-wise exports****(₹ in Lakh)**

Country	2017-2018	2016-2017
Sri Lanka	<b>12190.81</b>	12719.74
Nigeria	<b>7898.65</b>	6046.61
Iran	<b>7234.26</b>	8536.30
Sudan	<b>3730.97</b>	1866.91
Turkey	<b>3157.66</b>	1554.10
Other Countries	<b>19387.29</b>	14949.89
Total	<b>53599.64</b>	45673.55

**Note 43. General**

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

**K. GNANADESIKAN, IAS**  
CHAIRMAN  
(DIN -00111798 )

**S. SIVASHANMUGARAJA, IAS**  
MANAGING DIRECTOR  
(DIN- 06684301)

**V. RAMANATHAN**  
EXECUTIVE DIRECTOR (FINANCE) &  
CHIEF FINANCIAL OFFICER

vide our report of even date  
**For BRAHMAYYA & CO.**  
CHARTERED ACCOUNTANTS  
Firm Reg. No: 000511S

Place : Chennai  
Date : 30.05.2018

**V. SIVAKUMAR**  
COMPANY SECRETARY

**R. NAGENDRA PRASAD**  
Partner  
Membership No: 203377

This page has been intentionally left blank



**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 :

Date :

Signature of the First Shareholder

This page has been intentionally left blank



# AURA

REPRODUCING FINE RESULTS  
FOR THE CUSTOMER  
AND FOR THE COMPANY

## AURA xxx GREEN xxx

### Stainproof and strong

This high strength board is the perfect choice for sanitary, hygiene and process demanding and strong for woodwork element, (HMO) partition, shower room, wash basins, storage box and floor, study desk, in particular, it is ideal for food processing.



## AURA xxx FOLD xxx

### Flat and smoothness engineered to perfection

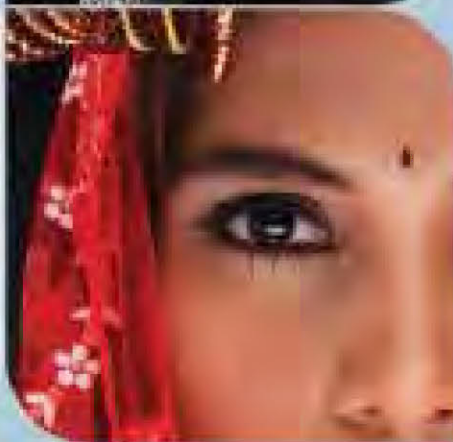
This high strength board is the perfect choice for sanitary, hygiene and process demanding and strong for woodwork element, (HMO) partition, shower room, wash basins, storage box and floor, study desk, in particular, it is ideal for food processing.



## AURA xxx GRAFIK xxx

### For brilliant skin tone reproduction

This high strength board is the perfect choice for sanitary, hygiene and process demanding and strong for woodwork element, (HMO) partition, shower room, wash basins, storage box and floor, study desk, in particular, it is ideal for food processing.



## AURA xxx FLITE xxx

### Harsh weather and results

This high strength board is the perfect choice for sanitary, hygiene and process demanding and strong for woodwork element, (HMO) partition, shower room, wash basins, storage box and floor, study desk, in particular, it is ideal for food processing.



**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 : Unit I: Kagithapuram – 639 136,  
Karur District, Tamil Nadu.

Unit II: Mondipatti Village – 621 306  
Thiruchirapalli District, Tamil Nadu.