



Consistent Growth.
Continued Excellence.

33rd Annual Report 2012-2013

Tamil Nadu Newsprint and Papers Limited



Company Information

BOARD OF DIRECTORS

Thiru N S Palaniappan IAS Chairman & Managing Director

Thiru Vikram Kapur IAS
(Part-time Chairman from 12.10.2012
to 13.12.2012)

Dr.N Sundaradevan IAS
(Part-time Chairman till 30.9.2012)

Thiru Md.Nasimuddin IAS
(Held full additional charge as
Managing Director from 31.5.2012
to 13.12.2012)

Thiru S Krishnan IAS Director
(From 15.9.2011 to 25.7.2013)

Thiru T Udhayachandran IAS Director

Thiru Mahesan Kasirajan IAS Director

Thiru A Velliangiri Deputy Managing Director

Thiru R Mani Director (Operations)

Thiru V Narayanan Director

Thiru N Kumaravelu Director

Thiru M R Kumar Director

Thiru V Nagappan Director

Tmt. Sarada Jagan Director

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

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

AUDITORS:

P.B.Vijayaraghavan & Co.,
Chartered Accountants,
No.14 (Old No. 27),
Cathedral Garden Road,
Nungambakkam,
Chennai 600 034.

BANKERS:

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

Consistent Growth. Continued Excellence.

FINANCIAL HIGHLIGHTS - 10 YEARS AT A GLANCE

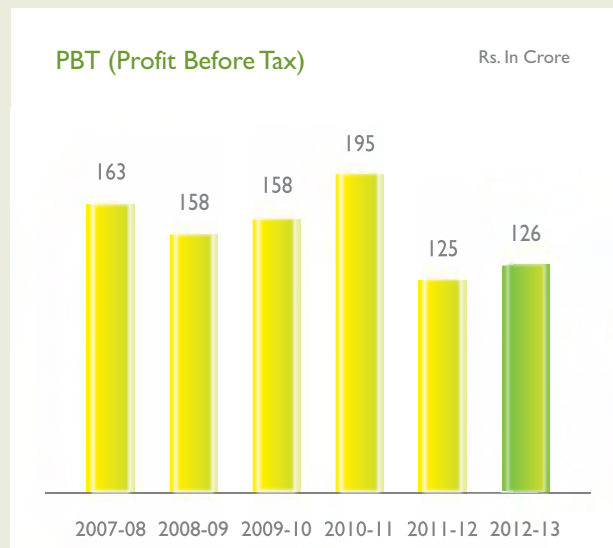
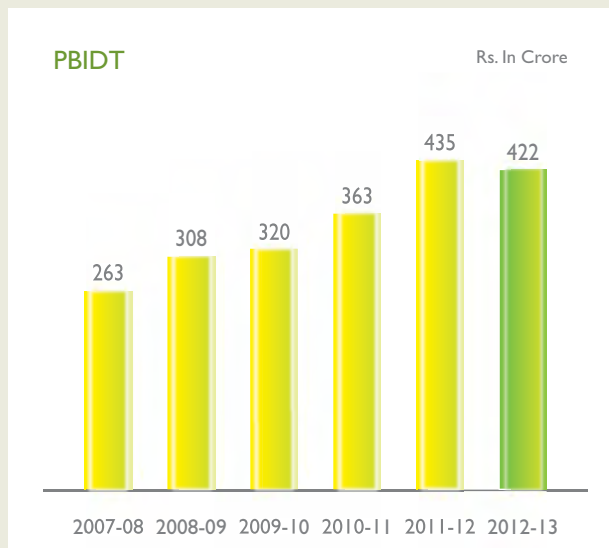
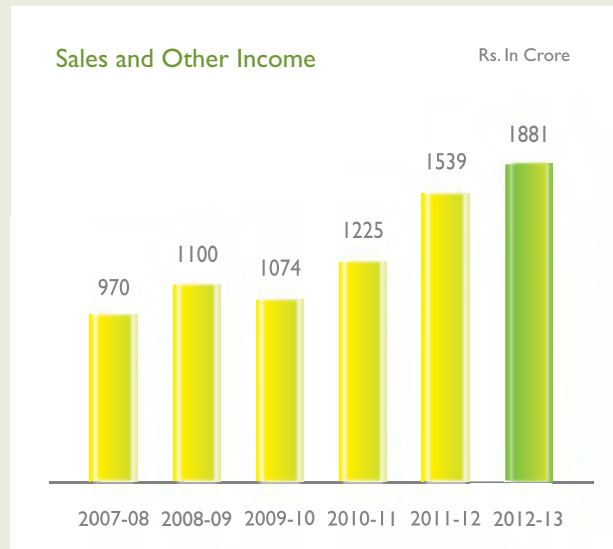
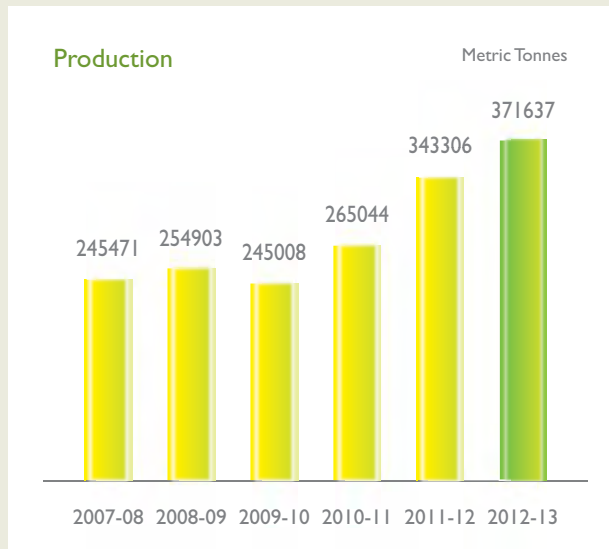
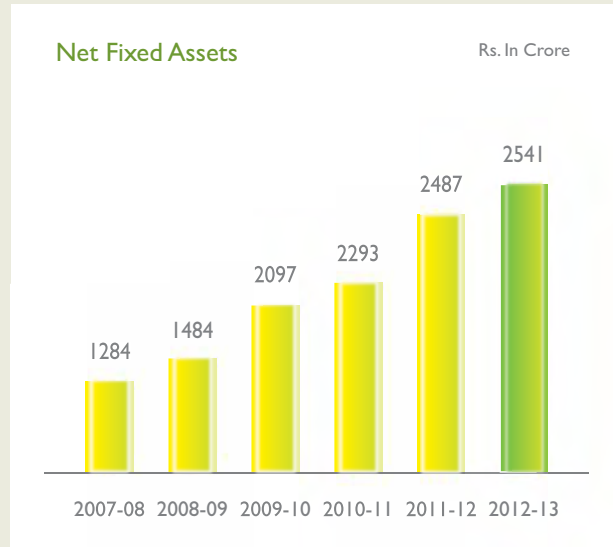
DESCRIPTION	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13
REVENUE: (Rs. in lakhs)										
Sales & Other Income	58290	66823	80141	88040	96965	110030	107362	122504	153899	188118
PBIDT	14829	11727	18768	21455	26266	30792	31980	36274	43543	42207
Interest	1625	1622	1864	2052	2391	4927	4618	4424	14127	12097
Profit Before Tax	6858	3917	10147	12503	16306	15785	15806	19514	12511	12611
Tax	1578	122	2092	3897	5023	5047	3200	4615	1617	3463
Profit After Tax	5280	3795	8055	8606	11283	10738	12606	14899	10894	9148
BALANCE SHEET: (Rs. in lakhs)										
Net Fixed Assets	76034	72836	81726	117782	128351	148396	209659	229342	248678	254101
Investments	815	114	114	114	1715	114	1140	114	114	114
Captive Plantation	33	147	198	289	304	504	962	1319	1795	2121
Net other Assets	10988	15238	16464	10670	7699	20048	25993	34575	46836*	26279*
Total Capital Employed	87870	88335	98502	128855	138069	169062	237754	265350	297423	282615
ShareHolders Fund	44868	46474	52212	57631	63990	66432	80450	91579	97068	103547
Borrowings	25399	25004	30814	55940	55244	80645	136291	148810	173379*	150022*
Deferred Tax Liaibility	17603	16857	15476	15284	18835	21985	21013	24961	26976	29046
Total	87870	88335	98502	128855	138069	169062	237754	265350	297423	282615
Book Value Per Share (Rs.)	64.43	66.74	75.44	83.27	92.46	95.99	116.24	132.32	140.25	149.61
EPS (Rs.)	7.66	5.47	11.66	12.43	16.30	15.52	18.21	21.53	15.74	13.22
Dividend (%)	27.50	27.50	30.00	40.00	45.00	45.00	45.00	50.00	50.00	50.00
Debt to equity	0.41	0.32	0.42	0.84	0.62	0.88	1.19	1.17	1.21	0.97

* Regrouped as per pre-revised Schedule VI for the purpose of comparison only.

Achievements 2012 -13

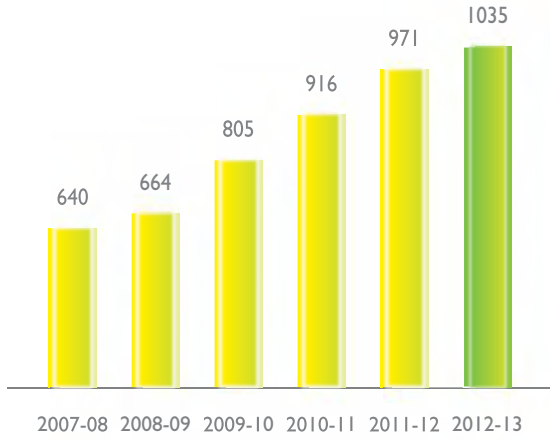
- Sales turnover crossed Rs.1800 Crores for the first time.
 - Paper production increased to 371637 MT, 28331 MT higher than the previous year.
 - Hardwood and Chemical Bagasse Pulp production increased to 275226 MT, an increase of 1543 MT over 2011-12.
 - The Wind Farm generated 586.59 lakh units of “Green Power” and earned a profit of Rs.5.82 Crores.
 - The Bio-Methanation plants generated 101.33 lakh Cubic Metres of methane gas, 13.98 lakh Cubic Metres higher than the previous year.
 - The methane gas consumed in lime kiln has saved 5966 KI of furnace oil valuing Rs.23.89 Crores.
 - Pulpwood plantation was raised in 9686 acres during the year. Total pulpwood plantation has been increased to 91711 acres.
 - Received 136,738 Renewable Energy Certificates (RECs) for generating power using exclusively steam produced in the Recovery Boiler.
 - 600 tpd Cement Plant was commissioned on 30.01.2013.
 - Received the first prize of “**Green Award 2012**” from the Department of Environment and Forests, Government of Tamil Nadu.
 - Received the “**Green Energy and Bio-fuel Award 2012**” from Pulp and Paper International (PPI) magazine in competition with many global players.
 - Received “**IPMA Paper Mill of the Year Award**” for the year 2012 from Indian Paper Manufacturers Association (IPMA), New Delhi for the third time.
 - Received the award of “**Excellent Energy Efficient Unit**” for the year 2012 from Confederation of Indian Industry (CII)
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Consistent Growth

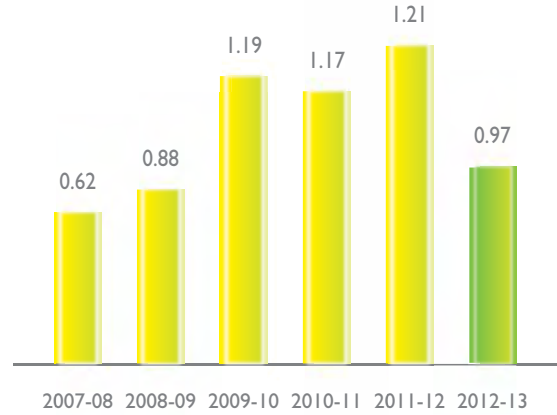


Net Worth

Rs. In Crore

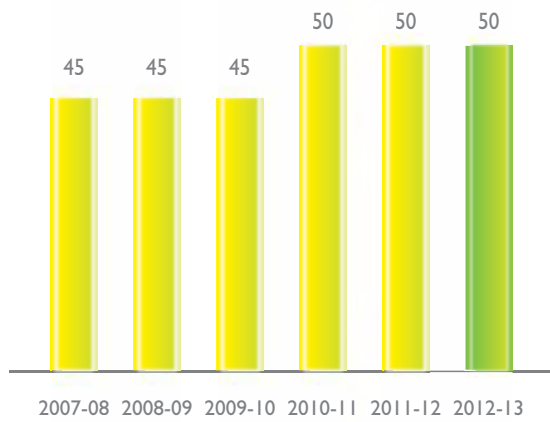


Debt Equity Ratio



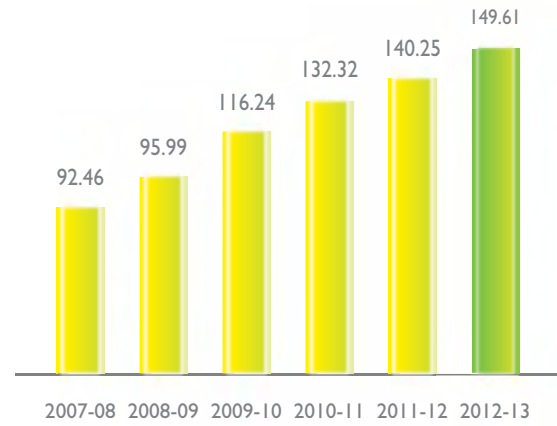
Dividend

Percentage (%)



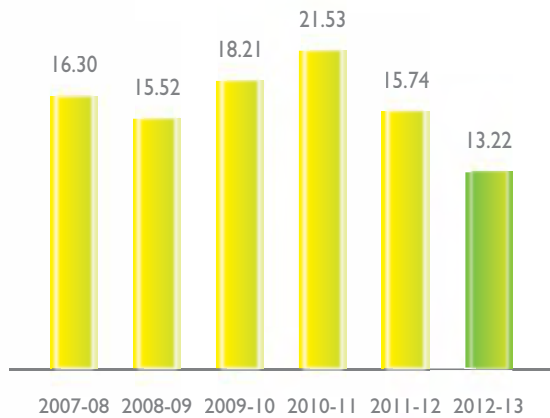
Book Value per Share

(Rs.)



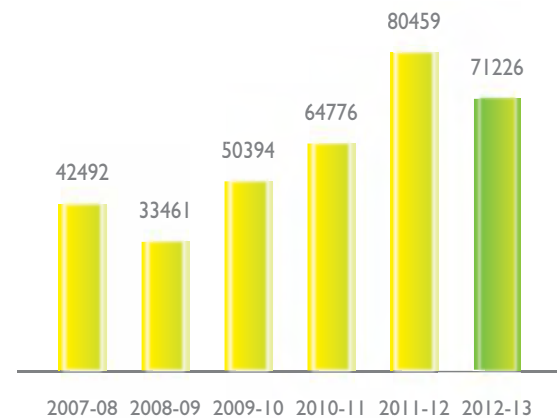
Earning Per Share (EPS)

(Rs.)



Exports

Metric Tonnes



Continued Excellence in Technology

TNPL is built on the understanding that the environment must be protected for the benefit of succeeding generations. At a time when wood pulp was considered as the most acceptable raw material for manufacture of paper, TNPL introduced usage of bagasse, a sugarcane residue, as primary raw material for manufacture of newsprint, printing & writing paper and now has emerged as the largest bagasse based Paper Mill in the world consuming about one million tonnes of depithed bagasse per annum.

TNPL commenced its first production in 1984 with a capacity of 90000 tonnes per annum. The forward thinking policies have made the company to grow to the present capacity of 400000 tpa. Every phase of growth is ingrained with the latest technology and installation of state-of-the-art machineries. The capacity additions were meticulously planned and efficiently executed. Many of the equipments installed were first-of-its-kind in the Indian Paper Industry. Continuous growth with latest technology has made TNPL a significant player in the Indian Paper Industry with the distinction of being the second largest producer of uncoated wood-free paper in the country.

TNPL has commenced the commercial operations of its 600 tpd mini cement Plant under Lime sludge and Fly Ash Management in Jan 2013. This plant is first-of-its-kind in the Indian Paper Industry. This has enabled TNPL to convert the entire limesludge and fly ash into high grade cement.

TNPL is also revamping the Steam and Power System (RSPS) by installing a new CFBC boiler and a new turbo generator to improve the energy efficiency and augment the in-house power generation from 81.12 MW to 103.62 MW. The project features installation of an Air Cooled condenser for the TG in the place of conventional water cooled

condenser, to conserve water. The RSPS project is scheduled to be commissioned during Sept 2013.

Trial production in the state-of-the-art 3-loop 2-disperser 300 tpd De-inking Plant has been commissioned in July 2013 to augment in-house pulp supply and to avoid the dependency on imported pulp.

TNPL is also in the process of setting up a 200 tpd Precipitated Calcium Carbonate (PCC) Plant and a 120 tpd Wet Ground Calcium Carbonate (WGCC) Plant on Build, Own and Operate (BOO) basis in the LSFM plant premises. These projects have been taken up for implementation in the current year and will be completed by Mar 2014. Installation of these plants will enable the company to procure PCC and WGCC online at a lower cost.

TNPL's operational and financial performance is one of the best in Indian Paper Industry. TNPL's success can be attributed to its clear vision, pro-active policies, constant technological upgrades and continuous growth. TNPL is an organization that has not lost its passion for manufacturing paper and goes re-defining the boundaries of excellence.

TNPL has registered four CDM projects with UNFCCC. The first project titled Methane extraction and Fuel conservation project was registered with UNFCCC during 2006 as the country's first CDM project in the waste management sector. Wind farm phase II & III was registered during May 2011 and Phase IV & V during April 2012. The project on Energy efficiency improvement in Chemical Recovery boiler was registered during May 2011.

TNPL has now embarked upon a new green-field project to install a 200,000 tpa double-coated multilayer paper board machine. The land acquisition is in progress in Trichy district. Environmental Impact Assessment study has been taken up.



Automatic Storage & Retrieval System



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(1) Night view of Cement Plant (2) DIP - De-inking line (3) 125 Tonnes per hour Boiler

Continued Excellence in Environment Protection

TNPL makes consistent efforts in minimizing its impact on the environment by adopting best available process technology which is aligned to the environmental policy of the mill.

TNPL is committed to:

- Produce Eco-friendly quality paper adopting environment friendly technologies
- Reduce impact on the environment through sustained R&D efforts and continuous improvement in the processes
- Comply with all relevant environmental legislation and regulations
- Minimise waste and maximize recycling / reuse
- Creating environmental and ecological awareness among our work force

TNPL's enduring commitment to the environment begins with raw material use. The mill is using about one million ton of depithed bagasse per annum as major raw material which avoids deforestation of about 35,000 acres every year.

Eighty five percent of the pulpwood used in the process is certified by Forest Stewardship Council which guarantees that the wood used for the production of paper does not come from illegal source. The pulpwood plantations are managed in a socially and environmentally responsible way.

The Company has switched over from conventional Chlorine bleaching to Elemental-Chlorine-free bleaching. The water consumption has been reduced to 55 kl. per ton of paper during 2012 -2013, which is one of the lowest in the paper industry.

Towards greening the surrounding areas, the company has planted about 60,000 trees in and around the mill.

As part of Lime Sludge and Fly Ash Management, TNPL has installed a 600 tpd integrated cement plant to convert process waste materials (Lime sludge and Fly Ash) into high grade Cement.

United Nations Framework Convention on Climate Change has issued 91945 carbon credits (certified emission reductions) under clean development mechanisms in the year 2012-13 for reducing greenhouse gas emissions through biomethanation process and saving furnace oil

TNPL received the first prize of Green Award 2012 from the Department of Environment and Forests, Government of Tamil Nadu. This award has been bestowed on TNPL in recognition of its various initiatives taken to protect the environment by adopting environment friendly technologies in the process. This award also recognizes TNPL's pro-active role in reducing the use of fossil fuels, increasing the green cover, encouraging non-conventional and energy efficient systems as well as recycling and reuse of solid & liquid wastes in the process.





Continued Excellence In Pulpwood Plantation

The wood-based industries in the country are required to generate their own raw material resources by establishing necessary linkages with farmers and other stake holders and not from regular forests.

TNPL conceived and implemented two plantation models i.e. Farm Forestry and Captive Plantation scheme during 2004-05 to ensure self-sustenance in pulpwood raw material availability in line with National Forest Policy, 1988. Under Farm Forestry, TNPL motivates individual farmers and institutions to raise fast growing pulp wood plantations by executing a buy-back agreement. The scheme motivated many farmers towards pulpwood plantations. Under Captive Plantations, TNPL establishes pulpwood plantations on government/private/institutions land either on lease rental or on gross revenue sharing basis at its own cost.

Through effective implementation of the above people concentrated plantation schemes, TNPL has established pulpwood plantations in 91,711 acres involving 17,021 farmers since 2004. The year wise details of area planted are given below

Year	Farm Forestry	Captive Plantation	Total extent (acres)	No of farmers
2004-05	1891	741	2632	480
2005-06	6055	60	6115	1475
2006-07	9718	281	9999	2107
2007-08	10529	86	10615	2182
2008-09	9448	1131	10579	1991
2009-10	9687	1830	11517	1773
2010-11	13001	2349	15350	2004
2011-12	13116	2102	15218	3006
2012-13	8698	988	9686	2003
Total	82143	9568	91711	17021



The TNPL plantation improves the environmental status of operating areas and also the socio - economic status of farming community. About 5.54 lakh MT of pulpwood has been harvested from the plantation sources upto 31.03.2013.

TNPL plantation schemes have resulted in the creation of world class Clonal Propagation and Research Centre (CPRC). So far 455.50 lac of quality clones/seedlings from known pedigree sources have been produced and distributed for Farm Forestry/Captive Plantation schemes. TNPL has also established a separate Forestry Research and Development unit to cater to the scientific and technical needs of the plantation programme.

Forest Stewardship Council (FSC) has issued Forest Management and Chain-of-Custody Certificate (RA-FSC-FM/CoC-006000) to TNPL valid from July 6, 2012 to July 5, 2017. The Certificate covers 19561 ha of land comprising of 8620 Units. This is the largest area certified by FSC in India.

TNPL has planned to raise plantations in 15000 acres for the year 2013-14. About 1.50 lac MT of pulpwood is expected to be procured from Farm Forestry / Captive Plantation sources during the year 2013-14.



(1) / (2) Clonal Propagation and Research Centre (CPRC) (3) Captive Plantation

Corporate Social Responsibility

TNPL's social responsibility is evident in the company's consistent spending and unstinted efforts to elevate the quality of life of the people living near the peripherals of the manufacturing units. TNPL adopts a highly structured CSR policy that drives the company to create opportunities that result in Economic, Social, Environmental and Cultural growth of the community in a sustainable manner.

TNPL undertakes Community Development activities 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, providing drinking water supply, education, medical camps & environment, promotion of Tamil literature, Art & Culture, assistance for the differently-abled, training of unemployed youth, organizing sports & talent competitions etc.

Every year approximately 3% of the Profit after Tax of the previous year is allocated for CSR activities. The company has spent Rs.5.36 crores for CSR activities during the year 2012 - 2013.

Further financial assistance of Rs. 14.68 lakhs was given from TNPL Arakkodai Trust for education and medical treatment.

The company's objective is to protect the interests of the people living in the community in which TNPL operates and to contribute to the sustainable development in all possible ways

TNPL runs two schools, one with Matriculation syllabus and the other with CBSE syllabus. 2390 students are studying in these schools. TNPL has set up an Industrial Training Institute under TNPL Arakkodai. Courses in five trades (Fitter, Instrument Mechanic, Electrician, Mechanic (Motor Vehicles) and Welder) will be started during the current year. The Institute will provide adequate in-plant training for the students to excel in their career.





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(1) Tailoring Classes for Women (2) Police Selection Training (3) Medical Camp (4) Medical Check up to Rural Children (5) Village Development Programme (6) Talent Expo 2012

TNPL product profile

TNPL is a symbol of high quality, premium, surface-sized and non-surfaced sized writing and printing papers. These papers guarantee excellent uniform printing surface with optimized smoothness, perfect printability and sharpness without compromising on stiffness, and used for varied end applications like publication to office stationery.

TNPL Print Vista

A high quality, premium, surface-sized paper made on a state-of-the-art paper machine. TNPL Print Vista is known for its hi-bulk, which perfectly suits high-end printing applications. It has an inherent quality of good stiffness coupled with required smoothness that would ideally suit for printing annual reports, brochures and other multi-colour print applications.

TNPL Pigmented Paper

A premium surface-sized paper with pigment coating on both sides. The

coating is of a specialized formulation, which perfectly suits printing on both sides without showing through on the other side. The pigment coating ensures printed images are clear, sharp and bright; they also help to create vivid images with perfect colour and contrast. The pigment coating also helps in improved ink drying. Typical end applications are premium promotional materials, high quality magazines, annual reports, catalogues and direct mailers.

TNPL Elegant Print

A premium printing paper meant for quality multi-colour print jobs. The excellent physical properties of the paper help in better smoothness, exquisite soft surface and good readability. It is known for its excellent strength and brightness.

TNPL Radiant Print (Platinum)

An entry level surface-sized paper, known for its value for money proposition. This paper is suited for

commercial grade printing of textbooks, brochures and student notebooks. This paper offers better brightness, good strength and a pleasing shade.

TNPL Ace Marvel

The inherent quality of high surface strength coupled with excellent physical properties, makes this paper ideally suited for coating applications. The biggest advantage of this product is its wide spectrum of gsm, starting from 45 gsm upwards. The entire offline coating industry prefers Ace Marvel for its strength properties, which in turn gives their product the required strength and performance.

TNPL Creamwove

An ideal product that portrays the TNPL stamp of quality. This is a premium non-surface sized paper with end applications like continuous stationery, general printing and notebooks.



Branded Products

In a cluttered market, creating value out of branded commodities is becoming difficult by the day. TNPL has created a niche for itself in this segment with these branded products which create more value to the customers in the digital arena. TNPL offers a wide range of customized paper for varied applications in the office documentation and stationery space.

TNPL Copier – Platinum

A market leader in the cut-size copier papers compatible with all types of photocopying machines; ideally suited for both side printing; trouble free; superior photo imaging with crisp image formation. The superior bulk and high dimensional stability coupled with optimized fibre orientation ensures this premium copy paper runs well on high-speed photocopying machines.

TNPL Copy Crown

A high quality premium copy paper with superior brightness perfectly doubles up as a quality office stationery. The paper presents ultra-sharp text and real-life images on colour copier, laser & inkjet printers. The paper is customized to give the best professional and premium impressions of a perfect paper.



TNPL Eezee Write

A premium ready to use packaged printing paper available in popular sizes and gsm's.

TNPL Printer's Choice

A high quality surface-sized paper available in commercial offset printing sizes. This paper offers the printers the flexibility of good quality combined with ready availability.

TNPL Eco-Friendly Exercise Notebooks

TNPL entered the education and stationery business to cater to the needs of the student community directly. TNPL produces premium soft-bound notebooks to suit the requirement of students. TNPL offers a range of products in this segment by identifying student needs, providing value in terms of product & price. TNPL Eco-friendly notebooks have become a natural extension to the students. Meticulous understanding of student needs helped creating a relevant and comprehensive portfolio, satisfying the needs of different sets of requirements



Excellence in Energy Efficiency and Energy Management

Pulp and Paper Industry is energy-intensive and the energy cost is around 20% of its manufacturing cost. TNPL has been taking constant efforts to remain energy efficient and consumes bio-fuel and bio-gas to a larger extent. The consumption of bio-fuel and bio-gas account for 46% of the total energy consumed during 2012-13

Agro/ Internally generated waste Fuels Utilised	2012-13	2011-12
Agro fuel	504	1100
Pith	82816	98036
Wood Dust	9129	2257
BL Solids	483015	458946
Bio Methanation gas ('000 M ³)	10125	8679

TNPL has successfully received the accreditation for Renewable Energy Certificate (REC) benefit for its 20 MW power generation from TG 5 operated through Recovery Boiler steam from 16th January 2012. TNPL is the first one in the Indian Paper Industry to have received the RECs . 136738 No. of RECs were obtained and 94678 No. of RECs were sold in exchange during the FY 2012-13. The balance has been carried over to FY 2013-14.

TNPL is self sufficient in power generation. TNPL has produced 5233.31 lakh kwh captive power and 586.59 lakh kwh wind power during FY 2012-13. (Previous year captive power was 5325.71 lakh kwh and wind power 507.28 lakh kwh). TNPL has exported 450.57 lakh kwh wind power during 2012-13 (previous year wind power 439.50 lakh kwh).

TNPL, being a Designated Customer (DC) of Ministry of Power, is taking adequate energy saving steps to meet the baseline energy consumption limit prescribed by the Ministry from FY 2012-13 to FY 2014-15 as per "Perform Achieve and Trade" (PAT) scheme.

TNPL has obtained the Excellent Energy Efficient Unit award for the year 2012 from Confederation of Indian Industry (CII). During the FY 2012-13, TNPL has reduced 43.8 Lakh units of Power, 28869 MT of imported coal & 839 KL of furnace oil consumption by implementing various energy saving projects.

TNPL installed its first wind farm of 15 MW capacity during 1993-94 at Devarkulam and Perungudi, Tirunelveli District. Since then the company has increased the wind farm capacity to 35.5 MW in stages. The wind farm power is partly exported to the grid and partly consumed in the factory 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
Total	-	35.50 MW



Devarkulam Windfarm (250KW WEGs)

NOTICE

NOTICE is hereby given that the Thirtythird Annual General Meeting of the Members of Tamil Nadu Newsprint and Papers Limited will be held on Thursday the 19th September, 2013 at 10.15 AM at the Music Academy Main Hall, 168 T T K Road, Royapettah, Chennai 600 014 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Statement of Profit and Loss for the year ended 31st March 2013, the Balance Sheet as at that date and Reports of the Board of Directors and the Statutory Auditors and the comments of the Comptroller and Auditor General of India, thereon.
2. To declare dividend
3. To appoint a director in the place of Thiru N Kumaravelu, who retires by rotation and being eligible offers himself for reappointment
4. To appoint a director in the place of Thiru M R Kumar, who retires by rotation and being eligible offers himself for reappointment
5. To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY resolution:

RESOLVED THAT consent of the Company be and is hereby accorded for the payment of remuneration of Rs.7,50,000/- (Rupees Seven lakhs fifty thousand only) to M/s.P B Vijayaraghavan & Co., (Firm Registration No.004721S) Statutory Auditors, besides reimbursement of travelling and out of pocket expenses at actuals subject to other terms and conditions laid down by the Office of the Comptroller and Auditor General of India in their letter No.CA V/COY/Tamil Nadu, TNEWSP(1)/55 dt.26.7.2012

SPECIAL BUSINESS

6. To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY Resolution :
RESOLVED THAT Thiru Mahesan Kasirajan IAS be and is hereby appointed as Director of the Company.
7. To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY Resolution :
RESOLVED THAT Thiru V Nagappan be and is hereby appointed as Director of the Company.
8. To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY Resolution :
RESOLVED THAT Tmt.Sarada Jagan be and is hereby appointed as Director of the Company.

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

RESOLVED THAT Thiru T Udhayachandran IAS be and is hereby appointed as Director of the Company.

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

RESOLVED THAT consent of the company be and is hereby accorded to the appointment of Thiru A Velliangiri as Deputy Managing Director of the company for a period of one year w.e.f.19.12.2012

RESOLVED THAT pursuant to the provisions of Sec.198,269,309,310 and all other applicable provisions, if any of the Companies Act, 1956 and Art.140 of the Articles of Association of the Company and subject to such other approvals, as may be necessary, consent of the members of the Company be and is hereby accorded for payment of remuneration to Thiru A Velliangiri, Deputy Managing Director as below with effect from 19.12.2012 notwithstanding the absence or inadequacy of profits during any financial year:

Particulars	Rs.
Basic Pay	90000
Special Pay	20000
Dearness Allowance	17678
House Rent Allowance	38500
Other allowances	30626
Provident Fund and Superannuation Fund to be paid at 12% and 14% respectively on the Basic Pay plus Special Pay and Dearness Allowance Thiru A Velliangiri will be governed by the rules and regulations of TNPL	

RESOLVED FURTHER THAT Thiru A Velliangiri will not be entitled to any sitting fee for attending the meeting of the Board or any Committee thereof

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

RESOLVED THAT consent of the company be and is hereby accorded to the appointment of Thiru R Mani as Director(Operations) of the company for a period of one year w.e.f.8.2.2013

RESOLVED FURTHER THAT pursuant to the provisions of Sec.198,269,309,310 and all other applicable provisions, if any, of the Companies Act, 1956 and Art.140 of the Articles of Association of the Company and subject to such other approvals, as may be necessary, consent of the members of the Company be and is hereby accorded for payment of remuneration to Thiru R Mani, Director(Operations) as below with effect from 8.2.2013 notwithstanding the absence or inadequacy of profits during any financial year:

Particulars	Rs.
Basic Pay	68000
Dearness Allowance	47155
Special Allowance	3850
General Monthly Medical Reimbursement	9592
Other allowances	16462
1. Provident Fund and Superannuation Fund to be paid at 12% and 14% respectively on the Basic Pay and Dearness Allowance. 2. Free housing provided in the Company's quarters. Thiru R. Mani will be governed by the rules and regulations of TNPL	

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

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

RESOLVED THAT pursuant to the provisions of Sec.269 and other applicable provisions, if any, of the Companies Act, 1956 and Art.140 of the Articles of Association of the Company and subject to such other approvals, as may be necessary, consent of the members of the Company be and is hereby accorded to the appointment of Thiru Md.Nasimuddin IAS as Managing Director of the company for the period from 31.5.2012 to 13.12.2012 on such terms and conditions and such remuneration as may be prescribed by the Government of Tamil Nadu from time to time.

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

RESOLVED THAT Thiru N S Palaniappan IAS be and is hereby appointed as Director of the Company.

RESOLVED FURTHER THAT pursuant to the provisions of Sec.269 and other applicable provisions, if any, of the Companies Act, 1956 and Art.140 of the Articles of

Association of the Company and subject to such other approvals, as may be necessary, consent of the members of the Company be and is hereby accorded to the appointment of Thiru N S Palaniappan IAS as Chairman & Managing Director of the company w.e.f.13.12.2012 on such terms and conditions and such remuneration as may be prescribed by the Government of Tamil Nadu from time to time.

BY ORDER OF THE BOARD

Place : Chennai

A VELLIANGIRI

Date : 8.8.2013

DY.MANAGING DIRECTOR & SECRETARY

NOTES

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- 2) Proxies in order to be effective, must be lodged with the Company not later than 48 hours before the meeting.
- 3) The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business set out under Items 6 to 13 is annexed hereto.
- 4) The Register of Members and Share Transfer Books of the Company will be closed from 11.9.2013 to 19.9.2013 (both days inclusive).
- 5) The dividend for the year ended 31st March 2013 as recommended by the Board, if sanctioned at the meeting, will be paid to those members whose names appear in the company's Register of Members on 19th September 2013. 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.
- 6) Pursuant to Section 205A of the Companies Act, 1956, all unclaimed dividends upto the financial year ended March 31, 2005 have been transferred to the General Revenue Account of the Central Government. Members who have not encashed their dividend warrant(s) for the said period are requested to claim the amount from the Registrar of Companies (Tamil Nadu), Shastri Bhavan, Block No.6, II Floor, 26 Haddows Road, Chennai 600 006. In case any assistance is required in this regard, please write to the company or to the company's Registrar and Share Transfer Agents.
- 7) As regards dividend pertaining to the financial year ended March 31, 2006 and thereafter, amounts remaining in the Unpaid Dividend Accounts of the company have to be transferred to 'The Investor Education and Protection Fund' established by the Central Government at the

expiry of seven years from the date of transfer to the respective year's Unpaid Dividend Account. Thereafter, the Members shall have no claim against the Fund or the Company in respect of his unpaid dividend. Such transfer has already been effected with regard to the unpaid dividend for the financial years 1995-96 to 2004-2005. The unpaid dividend for the financial year 2005-06 will be transferred to the above fund during October 2013. Members are therefore requested to lodge their claims for unpaid dividend, if any, immediately with the Company.

- 8) Members holding shares in physical form are requested to quote their Registered Folio No. in all their correspondences and notify promptly change, if any, in their Address/ bank mandate to the company's Registrar and Share Transfer Agents viz. Cameo Corporate Services Limited Unit : Tamil Nadu Newsprint and Papers Limited, 'Subramanian Building', 1 Club House Road, Chennai 600 002
- 9) 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.
- 10) Members are informed that the Company is extending the Electronic Clearing Service (ECS) facility to enable them receive their dividend through electronic mode in their bank account. In order to avail the ECS facility, the Members are requested to fill, sign and send the ECS mandate form, which forms part of this Annual Report, along with a photocopy of the cheque issued by the bank for verifying the accuracy of the MICR code number to Cameo Corporate Services, whose address is given in Point No.8 (in case of members holding shares in physical mode) or to the Depository Participants concerned (in case of members holding shares in electronic mode/demat 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.
- 11) Members/Proxies are requested to bring the attendance slip sent with Annual Report duly filled in for attending the meeting.
- 12) 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 .
- 13) Equity shares of the company have been placed under Compulsory Demat Trading w.e.f. 8.5.2000. Members who have not dematerialised their physical holding in the company are advised to avail the facility of dematerialisation of equity shares of the company.
- 14) Members holding shares under different folios in the same names are requested to apply for consolidation of folios and send relevant share certificates to the Company's Registrar and Share Transfer Agents
- 15) Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the company, a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting
- 16) 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.
- 17) **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.**
- 18) **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**

ANNEXURE TO THE NOTICE

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

Profile of Directors being appointed/ reappointed

ITEM NO.3

Name : Thiru N Kumaravelu

Age : 58 years

Qualification : Thiru N Kumaravelu is a Commerce Graduate and a fellow member of the Institute of Chartered Accountants of India. He had been a member of the British Institute of Management, U.K.

Experience : Thiru N Kumaravelu is a practicing Chartered Accountant. He has rich experience in Management Accounting, tax laws and Company Law spanning over three decades.

Thiru N Kumaravelu is associated as Director with companies in financial services engaged in debt and capital market operations thereby providing valuable guidance to them from his good understanding of these markets.

Thiru N Kumaravelu was Chairman, Audit Committee, Tamil Nadu State Apex Co-op. Bank Ltd. (TNSC Bank) having assets of over Rs.2000 crore from 2005 to 2008. His recommendations made in those three years to tone up the functioning of the bank were lauded by none other than NABARD, one of the two regulators.

Thiru N Kumaravelu does not hold any shares in TNPL. His directorships and Committee Memberships of other companies are as follows:

Company	Position	Committee Membership
Kapri Financial Services Ltd.	Director	Nil
Matha Vara Nidhi Ltd.	Director	Nil

ITEM NO.4

Name : Thiru M R Kumar

Age : 52 years

Qualification : B.Sc.

Experience : Thiru M R Kumar holds the position of Executive Director (Personnel), LIC of India, Mumbai. Thiru M R Kumar joined LIC in the year 1983. He has held many important positions in his illustrious career and has worked in five major zones including the composite Eastern Zone. He has rich experience in both Marketing and Administration of the Insurance industry spanning nearly 3 decades and has specialized in the marketing and HR areas.

Thiru M R Kumar does not hold any shares in TNPL. His Directorships and Committee Memberships of other companies are 'Nil'

ITEM NO.6

Name : Thiru Mahesan Kasirajan IAS

Age : 51 years

Qualification : Post Graduate in Commerce, Cost Accountant and a Graduate in Law

Experience : Thiru Mahesan Kasirajan IAS belongs to 2000 batch of Indian Administrative Service. Thiru Mahesan Kasirajan IAS has served as Collector of Erode, Sivaganga and Trichy districts. Currently, Thiru Mahesan Kasirajan IAS holds the position of Director of Sugar.

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

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

ITEM NO.7

Name : Thiru V Nagappan

Age : 48 years

Qualification : B.Com., M.B.A.

Experience : With more than two decades of experience in Capital Markets & Financial Services Industry, Thiru V Nagappan had been the Chairman of Federation of Indian Stock Exchanges – FISE and a Member of Secondary Markets Advisory Committee (SMAC) of SEBI. He is currently the Member of the Advisory Committee of Madras Stock Exchange Limited and a Director in its subsidiary, MSE Financial Services Limited. He is also the President of the Securities and Timeshare Owners' Association and Hon. Secretary of the Associated Chamber of Capital Markets. Apart from being on the Board of Studies of various reputed educational institutions, he is a regular writer on personal finance in magazines & journals and has co-authored several books on Capital Markets, Mutual Funds, Commodities, Portfolio Management, Derivatives etc. He has got rich experience in the Capital Market Regulations and Compliance

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

Company	Position	Committee Membership
MSE Financial Services Limited	Director	Audit Committee-Chairman

ITEM NO.8

Name : Tmt.Sarada Jagan
 Age : 54 years
 Qualification : M.Sc.,B.Ed.,PGDM(IIM-Ahmedabad)
 Experience : Started her career as a teacher. Then went on to do MBA programme at IIM, Ahmedabad. She has around 27 years of experience in management consulting and industry. Presently, holding the position of Deputy Managing Director-HR, Corporate Division, The Sanmar Group(a group with a turnover of around Rs.5000 crores).

In the last 15 years, she has conceptualized and implemented several HR policies, processes and practices including manpower planning, recruitment, performance management, training and learning. She has been responsible for implementing several talent management initiatives for retention and development of talent. Initiated and implemented IT enabled systems for better internal customer service. She has initiated several in-house communication initiatives including the launch of an in-house news letter.

Has received the Indra Super Achiever Award 2004, Women Super Achiever Award 2011, Women at work Leadership Award 2012 and has been listed as one of the top 100 HR professionals in India in a directory that was released some years ago.

Tmt. Sarada Jagan does not hold any shares in TNPL. Her Directorships and Committee Memberships of other companies are 'Nil'

ITEM NO.9

Name : Thiru T Udhayachandran IAS
 Age : 41 years
 Qualification : B.E.(ECE)
 Experience : Thiru T Udhayachandran IAS belongs to 1995 batch of Indian Administrative Service. Thiru T Udhayachandran IAS has 18 years of service in various departments of Government of Tamil Nadu. Currently, Thiru T Udhayachandran IAS holds the position of Secretary to Government(Expenditure), Finance Department, Govt. of Tamil Nadu.

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

Company	Position	Committee Membership
Tamil Nadu Tourism Development Corpn.	Director	
ELCOT	Director	
TN Water Investment Company	Director	
TNUIFSL	Director	
TN Arasu Cable T V Corpn. Ltd.	Director	
SIDCO	Director	
SIPCOT	Director	

ITEM NO.10

Name : Thiru A Velliangiri
 Age : 63 years
 Qualification : B.Com., FCA, FCS, FICWA, MBA, DMA(ICA)
 Experience : Thiru A Velliangiri has 40 years of experience in Finance, Accounts, Costing, Projects, Secretarial & Legal. He served as Director (Finance) and Secretary of the company for 12 ½ years since 25.5.1995. He was appointed on contractual basis as Deputy Managing Director of the company w.e.f.19.12.2007 for a period of five years. Now, the Board of Directors have extended his services for a further period of one year with the same terms and conditions.

He is the rank holder in CA Examinations and winner of CFO Award 2006 – Excellence in Finance in a PSU instituted by IMA India, New Delhi

Thiru A Velliangiri does not hold any shares in TNPL. His Directorships and Committee Memberships of other companies are Nil.

ITEM NO.11

Name : Thiru R Mani
 Age : 59 years
 Qualification : B.E.(Hons.Mech.), B.O.E.
 Experience : Thiru R Mani joined TNPL in 1983. Since then he has been holding various positions. Thiru R Mani was promoted as Chief General Manager(Operations) in November 2010. The Board of Directors in February 2013 has appointed Thiru R Mani as Director (Operations) on contractual basis for a period of one year

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

ITEM NO.13

Name : Thiru N S Palaniappan IAS
 Age : 57 years
 Qualification : M.A.
 Experience : Thiru N S Palaniappan IAS belongs to 1983 batch of Indian Administrative Service. Thiru N S Palaniappan IAS has 29 years of service in holding senior position in various departments of Government of Tamil Nadu. Currently, Thiru N S Palaniappan IAS holds the position of Principal Secretary to Government, Industries Department besides full additional charge of Chairman & Managing Director of TNPL.

Thiru N S Palaniappan IAS does not hold any shares in TNPL. His Directorships of other companies are as follows:

Sl. No	Company	Position	Committee Membership
1.	Tamil Nadu Sugar Corporation Limited	Chairman	
2.	Tamil Nadu Salt Corporation Ltd.	Chairman	
3.	Tamil Nadu Petro Products Ltd.	Chairman	
4.	Tamilnadu Minerals Ltd.	Chairman	
5.	TIDEL Park Limited	Director	
6.	Titan Industries Limited	Director	
7.	Tamil Nadu Industrial Development Corporation Limited	Director	
8.	State Industries Promotion Corporation of Tamil Nadu Limited	Director	
9.	Neyveli Lignite Corporation Limited	Director	
10.	Tamilnadu Electricity Board Ltd.	Director	
11.	Tamil Nadu Generation and Distribution Corporation Ltd.	Director	
12.	Tamil Nadu Transmission Corporation Limited	Director	
13.	Chennai Metro Rail Ltd.	Director	
14.	Nilakkottai Food Park Limited	Director	
15.	Tamil Nadu Water Investment Company	Director	

ANNEXURE TO THE NOTICE**Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956****ITEM NO.6**

The Board of Directors of your Company have appointed Thiru Mahesan Kasirajan IAS as an additional Director with effect from 6.11.2012. As an additional Director Thiru Mahesan Kasirajan IAS will hold the office of Director upto the date of AGM.

Notice has been received under Section 257 of the Companies Act, 1956 from a member of his intention to propose the candidature of Thiru Mahesan Kasirajan IAS for directorship. This may also be treated as individual notice under Sec.257(1A) of the Companies Act, 1956.

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

None of the Directors of the Company other than Thiru Mahesan Kasirajan IAS is interested or concerned in the resolution.

ITEM NO.7

The Board of Directors of your Company have appointed Thiru V Nagappan as an additional Director with effect from 9.4.2013. As an additional Director Thiru V Nagappan will hold the office of Director upto the date of AGM.

Notice has been received under Section 257 of the Companies Act, 1956 from a member of his intention to propose the

candidature of Thiru V Nagappan for directorship. This may also be treated as individual notice under Sec.257(1A) of the Companies Act, 1956.

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

None of the Directors of the Company other than Thiru V Nagappan is interested or concerned in the resolution.

ITEM NO.8

The Board of Directors of your Company have appointed Tmt.Sarada Jagan as an additional Director with effect from 11.7.2013. As an additional Director Tmt.Sarada Jagan will hold the office of Director upto the date of AGM.

Notice has been received under Section 257 of the Companies Act, 1956 from a member of his intention to propose the candidature of Tmt.Sarada Jagan for directorship. This may also be treated as individual notice under Sec.257(1A) of the Companies Act, 1956.

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

None of the Directors of the Company other than Tmt.Sarada Jagan is interested or concerned in the resolution.

ITEM NO.9

The Board of Directors of your Company have appointed Thiru T Udhayachandran IAS as an additional Director with effect from 8.8.2013. As an additional Director Thiru T Udhayachandran IAS will hold the office of Director upto the date of AGM.

Notice has been received under Section 257 of the Companies Act, 1956 from a member of his intention to propose the candidature of Thiru T Udhayachandran IAS for directorship. This may also be treated as individual notice under Sec.257(1A) of the Companies Act, 1956.

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

None of the Directors of the Company other than Thiru T Udhayachandran IAS is interested or concerned in the resolution.

ITEM NO. 10

The Board of Directors of your Company have extended the services of Thiru A Velliangiri as Deputy Managing Director for a further period of one year with effect from 19.12.2012 on the existing terms and conditions as detailed in the notice. Thiru A Velliangiri will hold office upto the date of forthcoming AGM and is eligible for appointment as Director in the AGM.

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

None of the Directors of the Company other than Thiru A Velliangiri is interested or concerned in the resolution.

ITEM NO.11

The Board of Directors of your Company have appointed Thiru R Mani as Director(Operations) for a period of one year with effect from 8.2.2013 as per terms set out in the notice. Thiru R Mani will hold office upto the date of forthcoming AGM and is eligible for appointment as Director in the AGM.

Notice has been received under Section 257 of the Companies Act, 1956 from a member of his intention to propose the candidature of Thiru R Mani for directorship. This may also be treated as individual notice under Sec.257(1A) of the Companies Act, 1956.

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

None of the Directors of the Company other than Thiru R Mani is interested or concerned in the resolution.

ITEM NO. 12

Pursuant to G.O.Rt.No.165 Industries (MID2) Department dt.31.5.12 issued by the Govt. of Tamil Nadu and in terms of Article 139 of the Articles of Association of the Company, the Board of Directors have passed a resolution appointing Thiru Md.Nasimuddin IAS as Managing Director of the Company with effect from 31.5.12.

Pursuant to Sec.269 read with Schedule XIII of the Companies Act 1956, appointment 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.Rt.2314 dt.18.7.2012. Copy of the abovesaid order is available for inspection by any of the shareholders at the Registered Office of the company.

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

None of the Directors of the Company other than Thiru Md.Nasimuddin IAS is interested or concerned in the resolution.

ITEM NO.13

Pursuant to G.O.Rt.No.3872 Public (Special A) Department dt.11.12.12 issued by the Govt. of Tamil Nadu the Board of Directors of your company have co-opted Thiru N S Palaniappan IAS as an Additional Director with effect from 13.12.12 and in terms of Article 139 of the Articles of Association of the Company, the Board of Directors have passed a resolution appointing him also as Chairman & Managing Director of the Company with effect from 13.12.2012.

Notice has been received under Section 257 of the Companies Act, 1956 from a member of his intention to propose the candidature of Thiru N S Palaniappan IAS for directorship. This may also be treated as individual notice under Sec.257(1A) of the Companies Act, 1956.

Pursuant to Sec.269 read with Schedule XIII of the Companies Act, 1956, appointment 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

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

None of the Directors of the Company other than Thiru N S Palaniappan IAS is interested or concerned in the resolution.

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.

BY ORDER OF THE BOARD

Registered Office :

67 Mount Road, Guindy

Chennai 600 032

A VELLIANGIRI

DY.MANAGING DIRECTOR & SECRETARY

DIRECTORS' REPORT

TO THE MEMBERS

The Directors have pleasure in presenting the Thirty Third Annual Report and the Audited Accounts of the Company for the financial year ended 31.3.2013.

1. FINANCIAL RESULTS

The Financial Performance of the company for the year under review is summarized below :

Particulars	(Rs. in crore)	
	2012-13	2011-12
Revenue from operations	1861.26	1522.92
Other income	19.92	16.07
Operating Profit (PBIDT)	422.06	335.54
Finance cost	120.97	141.26
Gross Profit (PBDT)	301.09	194.28
Depreciation	174.98	169.05
Profit before exceptional item and tax	126.11	25.23
Exceptional item	-	99.88
Profit after exceptional item and before tax	126.11	125.11
Provision for tax	34.63	16.17
Profit after tax	91.48	108.94
Balance brought forward	20.93	20.91
Profit Available for appropriation	112.41	129.85
APPROPRIATIONS		
Transfer to General Reserve	46.00	63.00
Debenture Redemption Reserve	5.70	5.70
Proposed Dividend	34.61	34.61
Tax on Dividend	5.88	5.61
Balance carried forward	20.22	20.93
	<u>112.41</u>	<u>129.85</u>

Despite the sluggish demand for Printing & Writing Paper during the period April-November 2012 and a significant increase in input costs in all four quarters of the year, the company has earned a PBT of Rs.126.11 crores. The corresponding figure in the previous year – excluding exceptional items – was Rs.25.23 crores. This performance, in an adverse environment, is a commendable achievement by the Management.

Tax expenses provided for the year is Rs.34.63 cr. This includes an additional Rs.13.21 cr. provided for deferred tax due to increase in surcharge on Income-tax from 5% to 10% in the Finance Act, 2013.

2. DIVIDEND

Your Directors recommend a dividend of 50% (Rs. 5.00 per share) for the year ended 31.3.2013. The Dividend, after

approval by the shareholders at the AGM, will be paid to the equity shareholders whose names appear in the Register of Members as on 19.9.13. Expenditure on the proposed dividend of 50%, will be Rs.40.49 crores, inclusive of taxes.

3. TRANSFER TO RESERVES

The Company has transferred Rs. 46.00 crores to General Reserves and Rs.5.70 crores to Debenture Redemption Reserve out of the amount available for appropriation. Rs.20.22 crores is proposed to be retained in the Profit & Loss Account.

4. PERFORMANCE HIGHLIGHTS OF THE YEAR

a) Operations

1. Sales turnover crossed Rs.1800 crores for the first time
2. Paper production increased to 371637 tonnes, 28331 MT higher than the previous year
3. Hardwood and Chemical bagasse pulp production increased to 275226 tonnes, an increase of 1543 tonnes over 2011-12.
4. The Wind Farm generated 586.59 lakh units of 'Green Power' and earned a profit of Rs.5.82 cr.
5. The Company is involved in pulpwood plantation in 91,711 acres benefiting 17021 farmers in 28 Districts of Tamil Nadu.
6. The Bio-methanation plants generated 101.33 lakh cubic metres of methane gas. The bio-gas generation is higher by 13.98 lakh cubic meters compared to the previous year. The methane gas was consumed in the lime kilns saving 5966 KL of furnace oil valued at Rs.23.89 crores.
7. 136738 Renewable Energy Certificates (REC) were received by the company for generating power using exclusively steam produced in the recovery boiler. TNPL is the FIRST in the paper industry to have received this benefit. 94678 RECs were sold upto 31.3.2013, and the balance has been carried forward to 2013-14.
8. Substantial progress was achieved in the implementation of the 300 tpd De-inking Plant and the Revamping of Power & Steam System.
9. The company received the following Awards and Accolades during the Year:
 - (a) 'The Green Energy and Bio fuel Award 2012' from PPI (Pulp and Paper International) Magazine. Many global players competed for this award and TNPL came out on top receiving worldwide acclamation for the performance.
 - (b) "IPMA Paper Mill of the Year Award" for the year 2012 from Indian Paper Manufacturers Association, New Delhi. TNPL has received this award for the third time.

- (c) The Green Award 2012 from the Dept. of Environment and Forests, Government of Tamil Nadu.
- (d) Award of "Excellent Energy Efficient Unit " for the year 2012 from Confederation of Indian Industry (CII).
10. Forest Stewardship Council (FSC), an independent, non-government, non-profit organization, has awarded the prestigious Forest Management and Chain of Custody Certificate (RA-FSC-FM/CoC-006000) to TNPL. This certificate is valid for five years upto 5th July 2017. The Certificate covers 19561 Hectares of land. This is the largest area certified by FSC in India accounting for approximately 50% of the total area certified by them. TNPL can henceforward use the FSC label on its products made from FSC certified wood.
11. Your Company has initiated action to set up a state-of-the-art Multilayer Double Coated Board Plant of a capacity of two lakh tonnes per annum at a capital outlay of Rs.1200 crore in Mondipatti village, Manaparai Taluk in Trichy District. This greenfield project will be funded through internal accruals and term loans. The project will be set up in three years latest by March 2016.
12. The Directors have proposed a Dividend of 50% (Rs. 5.00 per share) The proposed dividend reflects the confidence that the Directors and Management have in the company's future.

b. Contribution to Environment

1. The company has adopted Eco friendly ECF bleaching in Pulp manufacture. The switch over from conventional chlorine bleaching to ECF bleaching involved a capital outlay of Rs.316 Crores.
2. The Company has introduced 'OZONE TREATMENT ' as a tertiary step in the effluent treatment plant, substantially improving the quality of discharged water. TNPL is the first and only company in the paper industry to have introduced Ozone treatment of its effluent waste water.
3. As part of its conservation effort, TNPL consumes the lowest amount of water per ton of paper produced in the country.
4. By setting up the 600 tpd cement plant, TNPL converts waste products(lime sludge and fly ash) generated in paper manufacture into high grade cement.
5. A continuous air quality monitoring system has been installed at the factory.
6. The windfarms at Devarkularm and Perungudi with an installed capacity of 35.5 MW generated 586.59 lakh Kwh Units of 'Green Power' during 2012-2013.

c. Corporate Social Responsibility (CSR)

1. The company is committed to being a socially responsible corporate citizen and has spent Rs.3.71 crores on its Corporate Social Responsibility Programmes in 2011-2012 and Rs.5.36 Crores in 2012-2013
2. The CSR projects promote Economic, Social, Environmental and Cultural growth of the community living in areas near the factory. The CSR activities are equitable and focus primarily on providing Education and Health care.
3. The company aims to spend approximately 3% of the profit of the previous year on CSR activities, in the following year.

d. Contribution to Innovation and New knowledge development

1. The company nurtures creativity and innovation through its R & D activities which are carried out largely in-house. A few activities are outsourced when warranted.
2. The expenditure on R&D activities is Rs.4.90 cr. The long term objective is to increase R & D investment from the current level of 0.27% to 1% of sales turnover.
3. The R & D activities focus on product development, process improvement, raw material substitution, development of new products and protection of the environment.

e. Others

1. During the year the company has generated and consumed 5233.31 lakh units of power through TG. Power drawn from State Grid constitutes only 1.63% of the power consumed.
2. The Company has tied up term loans with banks for financing the De - inking Pulp Plant Project.

Of the funds availed, the company has temporarily utilised Rs 30.91 Crores for its business operations. The funds would be applied ultimately for the designated purpose.

5. MARKET TRENDS

a. General

Global Production of paper is estimated at 430 Million tons and in India 12 million tons. India accounts for 2.79% of world production. Per capita consumption of paper is approximately 10 kgs. in this country against the global average of 60 kg.

The Excise duty and Import duty have remained unchanged at 6% and 10% respectively.

b) Printing & Writing Paper (PWP)

Between 2008 and 2010, paper capacity in the country increased by about 1.50 million tonnes, higher approximately by 60% over the capacity in 2007. Demand growth however continued only at 8-9% per

annum. As a consequence, supplies were in excess of demand for about 2 years. Paper prices therefore declined steeply during 2010-11 and 2011-12 even though input costs increased. The market has improved since December 2012 and is now stable.

c) Packaging Boards

The total market for packaging board is estimated at 2.40 million tonnes. About 50% of the market relates to grey back boards and the remaining 50% relates to white coated back high end varieties. The demand growth in the higher segments is of the order of 12-13% per annum.

d) Outlook

Growth in the education sector, a buoyant economy, changes in lifestyle and low per capita consumption of paper in India are the major growth drivers of the Industry.

With the increase in paper production capacity, the demand for pulpwood has increased. However, pulpwood supplies are less than the demand. Pulpwood prices have increased by about 40% in the last one year.

Volatility in the exchange rates has increased the cost of imported raw materials and fuel.

e) TNPL response to Market Trends

In the first eight months of 2012-13, TNPL domestic sales were moderate because of sluggish market. A revival in demand enabled the company to increase sales significantly in the last four months of the year.

Export sales constituted 17.34% of total sales.

6 DIRECTORS

Pursuant to the orders of Government of Tamil Nadu:

- (a) Thiru Md.Nasimuddin IAS was placed in full additional charge of the post of Managing Director, TNPL vice Thiru Santosh K Misra IAS, MD, TNPL w.e.f. 31.5.2012.
- (b) Thiru Vikram Kapur IAS was nominated as Chairman of TNPL in the place of Dr.N Sundaradevan IAS, who retired on 30.9.2012.
- (c) Thiru N S Palaniappan, IAS was co-opted as an Additional Director w.e.f.13.12.2012 in place of Thiru Vikram Kapur IAS. Thiru N S Palaniappan, IAS will hold office upto the date of the forthcoming Annual General Meeting and is eligible for appointment as Director.

Further, vide Government Order dt 11.12.2012, Thiru N S Palaniappan, IAS has been nominated in the place of Thiru Md.Nasimuddin, IAS as Chairman and Managing Director of the Company.

- (d) Thiru Mahesan Kasirajan, IAS was co-opted as an Additional Director w.e.f.6.11.2012 vice Thiru N Mathivanan IAS. Thiru Mahesan Kasirajan, IAS will hold office upto the date of the forthcoming Annual General Meeting and is eligible for appointment as Director.

The Board in its meeting held on 7th December 2012 extended the services of Thiru A Velliangiri, Dy. Managing Director on a contractual arrangement for a further period of one year w.e.f. 19.12.2012 on the existing terms and conditions. Thiru A Velliangiri will hold office upto the date of the forthcoming Annual General Meeting and is eligible for appointment as Director at the AGM. The contract extending his services is renewable for a period of one more year.

The Board in its Meeting held on 8.2.2013 appointed Thiru R Mani as Director(Operations) on contractual arrangement for a period of one year from 8.2.2013. Thiru R Mani will hold office upto the date of the forthcoming Annual General Meeting and is eligible for appointment as Director at the AGM. The contract extending his services is renewable for a period of one more year.

Thiru V Nagappan was co-opted as an Additional Director w.e.f.9.4.2013. Thiru V Nagappan will hold office upto the date of forthcoming Annual General Meeting and is eligible for appointment as Director at the AGM.

Thiru N Kumaravelu and Thiru M R Kumar, Directors retire by rotation at the forthcoming Annual General Meeting. They are eligible for reappointment as Directors.

7. AUDITORS

a) Statutory Auditors The Comptroller and Auditor General of India appointed M/s. P.B Vijayaraghavan & Co., Chennai as the Statutory Auditors of the Company for the Financial year 2012-13

b) Cost Auditors Pursuant to Sec.233 B of the Companies Act, 1956, the Central Government has ordered that the company carries out audit of cost accounts for every year relating to Paper, Cement and Energy, M/s S Mahadevan & Co, were appointed as Cost Auditors for the year 2012-13. The cost audit report for the year 2012-13 will be submitted to the Central Government before the due date.

Cost Audit report for the financial year 2011-12 was filed well before the due date.

c) Secretarial Auditor M/s R. Sridharan & Associates have carried out Secretarial

Audit of the company for the year ended March 2013. The company has complied with all applicable provisions of the Companies Act, 1956, Depositories Act, 1996, Listing Agreement with the Stock Exchanges and all the regulations of SEBI as applicable to the company

8. FIXED DEPOSITS

The company has stopped accepting fresh deposits from 1.6.2002 and renewals from 1.8.2005. The outstanding deposits as on 31.3.2013 was Rs.1.64 Lakhs against Rs.2.45 Lakhs in the previous year. The number of depositors on 31.3.2013 was 10 against 14 in the previous year. The outstanding deposits remain unpaid as the depositors have not made known their new addresses to the company.

9. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year, the company has transferred Rs.13,02,880/- being the dividend and Fixed Deposit amount which were due and payable and remained unclaimed and unpaid for a period of seven years, to the Investor Education and Protection Fund, as required under Section 205A(5) of the Companies Act, 1956.

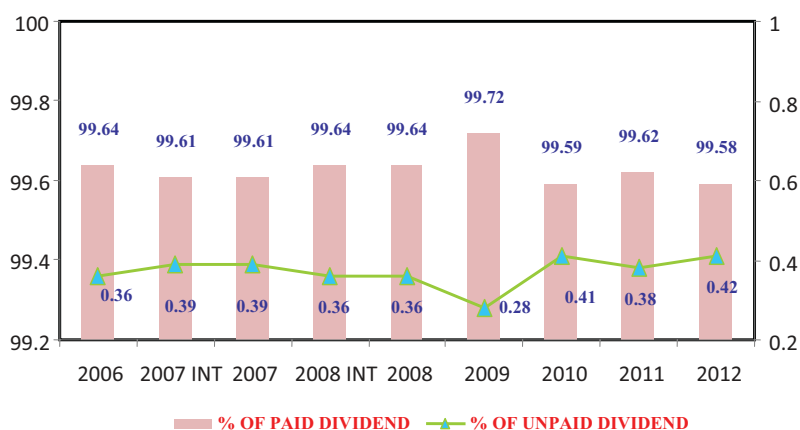
10. UNPAID DIVIDEND STATUS

Unpaid Dividends are primarily due to Postal Returns. Effective follow-up by the Company has resulted in Unpaid Dividends being consistently below 0.5% of total. This effort is continuous till the need for transfer to Investor Education & Protection Fund arises after seven years. The table and graph given below summarise the status of Unpaid Dividends.

DIVIDEND STATUS FOR THE LAST 7 YEARS

(Rs. In lakhs)

SL No.	YEAR	SHARE CAPITAL	DIVIDEND %	DIVIDEND AMOUNT	DIVIDEND PAID	DIVIDEND UNPAID AS ON 31.3.2013	% OF PAID DIVIDEND	% OF UNPAID DIVIDEND
1	2005-06 (Final Dividend)	6921.06	15	1038.16	1034.38	3.78	99.64	0.36
2	2006-07 (Interim Dividend)	6921.06	15	1038.16	1034.07	4.09	99.61	0.39
	2006-07 (Final Dividend)	6921.06	25	1730.27	1723.55	6.72	99.61	0.39
3	2007-08 (Interim Dividend)	6921.06	20	1384.21	1379.28	4.93	99.64	0.36
	2007-08 (Final Dividend)	6921.06	25	1730.27	1724.09	6.18	99.64	0.36
4	2008-09	6921.06	45	3114.48	3105.78	8.70	99.72	0.28
5	2009-10	6921.06	45	3114.48	3101.75	12.73	99.59	0.41
6	2010-11	6921.06	50	3460.53	3447.36	13.17	99.62	0.38
7	2011-12	6921.06	50	3460.53	3446.15	14.38	99.58	0.42



11. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The particulars required under Sec. 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are furnished in the Annexures to this Report (Annexure I and II).

12. STATEMENT OF EMPLOYEES' REMUNERATION (217(2A) Companies Act 1956)

None of the employees drew remuneration of more than Rs.60,00,000/- per annum during the year. This information is furnished as required under section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975.

13. CASH FLOW STATEMENT

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

14. EXPORT HOUSE STATUS

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

15. INDUSTRIAL RELATIONS

Industrial relations during the year continued to be cordial.

16. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 217(2AA) of the Companies Act, 1956, with respect to Directors' Responsibility Statement, it is hereby confirmed:

1. That the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. That the selected accounting policies were applied consistently and judgments and estimates that are reasonable and prudent were made so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for that period;
3. That the Directors have taken proper and sufficient care for the Maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
4. That the Annual Accounts were prepared for the financial year ended 31st March 2013 on a going concern basis.

17. CORPORATE GOVERNANCE

The Report on Management Discussion and Analysis and the Report on Corporate Governance forming part of Directors' Report are enclosed as Annexure III and IV.

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

18. CEO/CFO CERTIFICATION

As required by Clause 49 of the Listing Agreement, a Certificate on the Financial Statements and Cash Flow statement of the company for the year ended March 31, 2013 duly signed by the Chairman & Managing Director and Deputy Managing Director was submitted to the Board of Directors at the meeting held on May 27, 2013.

19. 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.

For and on behalf of the Board

N S PALANIAPPAN
CHAIRMAN AND MANAGING DIRECTOR

Date: 27th May 2013

Place: Chennai 600 032

ANNEXURE - I**PARTICULARS UNDER COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988****REPORT ON ENERGY CONSERVATION DURING THE YEAR 2012-13****I (A) ENERGY CONSERVATION MEASURES TAKEN:**

- a) 1. Hot water generated from the Heat Exchangers installed in CBP #2 & CBP #3 Cold Blow system has reduced the LP Steam consumption in CB – ECF bleaching, resulting in savings of Rs.600.00 lakhs.
2. Reduction in LP steam consumption for process water heating in PM #3 has resulted in savings of 5303 MT of imported coal valued at Rs.251.37 lakhs
3. Usage of once used mill water in the ECF plant and usage of EOP filtrate in POW in the place of hot water (880 Cu.M per day) has resulted in a savings of Rs.226.80 lakhs.
4. Reduction in power consumption in bagasse pulping by running two pumps (150 kW – each) instead of one pump (650 kW) has resulted in a savings of Rs.84.00 lakhs
5. Reduction in LP steam consumption by 10 tpd for generating hot water used in Fibre line, has resulted in savings of Rs.54.00 lakhs.
6. Recycling of EOP & D1 bleach filtrate in CB-ECF plant reduced LP steam consumption from 0.25 t to 0.15 t per ton of unbleached pulp in bleach plant and resulted in a cost savings of Rs.8.00 lakhs.
7. The following measures have reduced LP steam consumption by 40 tpd with a cost saving of Rs.115.00 lakhs
 - (i) Using high temperature process condensate segregation from evaporators.
 - (ii) Using Recovery Boiler #3 continuous blow down water.
8. Introducing VFD for Deaerator Feed pump in Recovery Boiler #3 has reduced the power consumption by 11 kW per hour, resulting in a cost saving of Rs.2.56 lakhs
9. Replacing the existing aerators with new improved design energy efficient aerators at ETP-ASL – Phase: II, has resulted in savings of Rs.29.00 lakhs.
10. Increased the Bio-Gas generation from 23931M /day in 2011-12 to 27761 M /day during 2012-13. The additional gas generation has resulted in furnace oil savings of 839 KL resulting in a saving of Rs. 331.40 lakhs.

11. Air conditioning in Administrative building has been switched over to Vapour Absorption Machine (VAM) instead of Vapour compression system, and has contributed Rs.10.40 lakhs in saving.

12. Utilization of waste effluent sludge in the power boilers has reduced the imported coal consumption by 2148 MT saving of Rs.102.00 lakhs.

- | | |
|--|-----------------------------------|
| (b) Additional investments incurred in implementing of the above proposals | Rs. 73.20 lakhs. |
| (c) 1) Impact of the measures at (a), (b) in reduction of energy consumption | Rs.1741.33 lakhs Per annum |
| 2) Impact on the cost of production per ton of paper | Rs.468.56 (Reduction) |

I(B) RESEARCH & DEVELOPMENT AND TECHNOLOGY ABSORPTION (AS PER “FORM B” SEE RULE 2)**I. Specific areas in which R & D carried out by the company****Process improvement**

The Indian pulp and paper sector is passing through a critical stage due to poor availability and increasing cost of raw materials, fuel and chemicals. These issues are addressed through R&D as a continuous effort.

Fibrous raw materials

As part of identification of new improved pulp wood clones, two new Casuarina clones viz. CJ - 1 and CJ- 9 and two new Eucalyptus hybrid clone No. 2012 and 2013 were evaluated in the laboratory.

Pulp bleaching

The bleaching process was modified by reducing the sulphuric acid addition before D₀ stage. This has improved pulp brightness without affecting the strength, optical and other physical properties and reduced pollution load. Reduction in caustic consumption has also been achieved.

De-inking

The mill has commissioned De-inking Plant (DIP) in July 2013. De inking and bleaching studies of different kinds of waste paper viz., Sorted Office Paper (SOP), Old Magazine (OMG), Coated Soft White Shaving (SWS), and cups stock papers are in progress.

Quality improvement

Plant scale trials were carried out to standardize the viscosity of enzyme converted native starch by optimizing the enzyme dosage and other inputs.

Laboratory studies carried out have facilitated procurement of carbonate fillers with optimized particle size distribution to improve optical and printability properties of paper.

Studies were carried out with cationic starches with high degree of substitution for improving AKD retention, filler retention and bonding properties.

Optimization studies carried out in dispensing of retention chemicals improved the machine runnability and paper quality.

Refining energy reduction studies were carried out with enzyme application.

These studies have yielded positive results. Plant trials will be taken up to confirm the laboratory findings.

An innovative concept called 'Surface application of Nano Cellulose' has been identified to develop in-house Nano cellulose or Nano Cellulose composite from wood pulp and apply the same on the final product to enhance surface properties like smoothness, porosity and printability.

About 1,00,000 high quality pulp wood tissue culture seedlings were developed and supplied to Plantation department for use as mother plant

Product development

Pigmented paper optimization studies culminated in the validation of the product with higher quality and lower cost. Studies are being carried out both in the laboratory and plant to embellish the product quality further.

Biotechnology, environment and forestry

Continual efforts are made to improve treated wastewater quality

A biogas plant was commissioned to generate bio-gas from food waste, from industrial canteen and other places. The biogas is used in the guest house in place of LPG.

Monitoring of sludge content in the biomethanation reactors, and effective management of high COD wastewater from the bagasse yard has improved the biogas generation by 6000 cubic meters per day. The additional gas consumed in the limekilns has facilitated savings of 3.5 kl per day of furnace oil.

The Pilot plant study of treating the effluent from the bleach plant in a separate stream to reduce the inorganic Total Dissolved Solids in the treated wastewater has been completed. The next course of action is being discussed with the consultant.

Studies on water and carbon foot print through water mapping and monitoring and GHG inventory was completed for the year 2011 – 12. The results were presented in CII-GBC Excellence in water management competition. TNPL won the award for Excellence in water management for

third time in succession. In recognition of effective utilization of green energy, Pulp and Paper International Awards (PPI), has bestowed on TNPL the Green Energy and Bio-fuel Award 2012.

The company had received Forest Stewardship Council (FSC) Chain of Custody (C-O-C) and Control wood Certificate during 2010. The FSC Chain of Custody & Controlled Wood Certificate (SW-COC-005007 & SW-CW-005007) is valid for five years till 20th July 2015.

TNPL obtained FSC Forest Management and Chain of Custody Certificate (RA- FM/CoC-006000) valid for five years from 6th July 2012 till 5th July 2017.

II. Benefits derived as a result of above R&D studies

- Using of carbonate fillers with optimized particle size distribution has improved the performance of TNPL paper. This has increased the customer satisfaction and reduced complaints.
- Optimization of pigmenting formulation has improved the product quality and reduced the cost.
- Alkaline bleaching has reduced the cost of pulp production and the pollution load.
- Monitoring of sludge content in the biomethanation plant and effective management of high COD wastewater, has improved the biogas generation by about 6000 m³ per day with a saving of about 3.5 KL of furnace oil per day.
- Recycling of EOP filtrate in chemical bagasse fibre line has reduced the water consumption and improved the quality of effluent discharge.
- The bio gas generated from kitchen wastes has reduced LPG consumption and waste disposal problem.

III. Future plan of action:

- Stabilizing Deinking pulp quality suitable for TNPL product range.
- Developing new value added products.
- Pre-treatment of hardwood chips to reduce extractives and explore the possibility of introducing bio-refinery concept
- Monitoring of hexo- uronic acid content in the hardwood fibre line and its impact on oxygen delignification and bleaching
- Studies on nano cellulose application to final product quality improvement
- Monitoring and management of Carbon and Water footprint
- Monitoring of water conservation and its impact on product quality and wastewater characteristics.
- Identification and screening of new pulp wood clones to improve biomass productivity, pulp quality and pulp yield.

IV Expenditure on R&D

	(Rs. In lakhs)
a) Capital	39.88
b) Recurring	449.94
c) Total	489.82
d) Total R&D expenditure as a percentage on turnover	0.27%

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

During the year, the company exported 71226 Mts. of Printing and Writing Paper valued at Rs.312.89 crores to 47 countries including Angola, Armenia, Bulgaria, Egypt, Ethiopia, Ghana, Indonesia, Iran, Jordan, Kenya, Kuwait, Malaysia, Nigeria, Senegal, South Africa, Sri Lanka, Sudan, Thailand, Tunisia, Turkey, Uganda, Yemen, etc.

b. Foreign Exchange Earnings	(Rs. In lakh)
Export of PWP (C&F value)	31289.15

I (D) FOREIGN EXCHANGE OUTGO

a. Imports (on CIF basis)	(Rs. In lakh)
Raw materials	3776.59
Components, Spare parts & chemicals	4226.30
Imported coal	22339.47
Capital goods	1145.76
Total	<u>31488.12</u>
b. Other than imports	(Rs. In lakh)
Engineering & Supervision charges	144.89
Interest	2688.57
Repayment of foreign currency loan (Long Term)	19458.56
Others	144.25
Total	<u>22436.27</u>

ANNEXURE - II
Form A (See Rule 2)

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

S.No	Particulars	UOM	2012-2013 Current year	2011-2012 Previous year
(a)	Purchased			
	Unit	Lakh KWH	88.19	92.49
	Energy Charges	Rs.in lakhs	571.64	388.47
	MD & Other Charges	"	391.37	515.13
	Total Charges	"	963.01	903.60
	Rate/Unit (Excluding MD&Other Charges)	Rupees	6.48	4.20
(b)	Own Generation			
	(i) Through Steam Turbine/ Generator			
	Units generated	Lakh KWH	5233.31	5325.71
	Cost / Unit (Variable Cost)	Rupees	2.73	2.66
	Units Consumed	Lakh KWH	5233.31	5226.73
	Cost / Unit (Variable Cost)	Rupees	2.73	2.65
	Units sold	Lakh KWH		98.98
	Cost / Unit (Variable Cost)	Rupees		3.54
	(ii) Through Wind Turbine Generator	Lakh KWH	586.59	507.28
	Cost / Unit (Total Cost)	Rupees	1.76	2.17

2. FUEL CONSUMED #

SL. No.	Particulars	2012-2013			2011-2012		
		Qty (MT)	Total cost (Rs.lakhs)	Avg. rate Rs.	Qty (MT)	Total cost (Rs.lakhs)	Avg. rate Rs.
	Fuel Purchased						
A	Indigenous Coal	19648	668.21	3401	31708	942.30	2972
B	Imported Coal	356969	16845.43	4719	344841	16134.53	4679
C	Raw Lignite	0.00			0		
D	Furnace Oil (Kilo Litre)	13282	5291.39	39839	13779	5198.92	37730
E	Agro Fuel	504	22.84	4529	1100	44.58	4051
	Fuel - Internal Generation						
F	Pith	69992			77022		
G	MLSS Pith	12824			21014		
H	Wood Bark / Dust	9129			2257		
I	Black Liquor Solids	483015			458946		
J	Bio Methane Gas - 000 M ³	10125			8679		

Includes Fuel consumed for the Inhouse Power sold.

B. CONSUMPTION PER UNIT OF PRODUCTION OF PAPER

S NO.	PARTICULARS	UOM	Current year (1)		Previous year (2)	
			NP	P&WP	NP	P&WP
(a)	Electricity	KWH		1451		1522
(b)	Ind.Coal	Kg		53		90
(c)	Imp.Coal	Kg		959		958
(d)	Raw Lignite	Kg		0		0
(e)	Furnace Oil	Ltr		36		39
(f)	Agro Fuel	Kg		26		10
(g)	Pith	Kg		188		220
(h)	MLSS Pith	Kg		34		60
(i)	Black Liquor Solids	Kg		1296		1309
(j)	Bio-Methane Gas	000 M ³		27		25

ADDENDUM TO DIRECTORS' REPORT

Tmt.Sarada Jagan has been co-opted as an additional independent director on the Board w.e.f.11.7.2013 . Tmt.Sarada Jagan will hold office upto the date of forthcoming Annual General Meeting and is eligible for appointment as Director in the Annual General meeting.

Pursuant to the orders of Government of Tamil Nadu, Thiru T Udhayachandran IAS, Secretary to Government(Expenditure), Finance Department was appointed as Director on the Board of the company in the place of Thiru S Krishnan,IAS w.e.f.8.8.13. Thiru T Udhayachandran IAS will hold office upto the date of forthcoming Annual General Meeting and is eligible for appointment as Director in the Annual General meeting.

FOR AND ON BEHALF OF THE BOARD

N S PALANIAPPAN

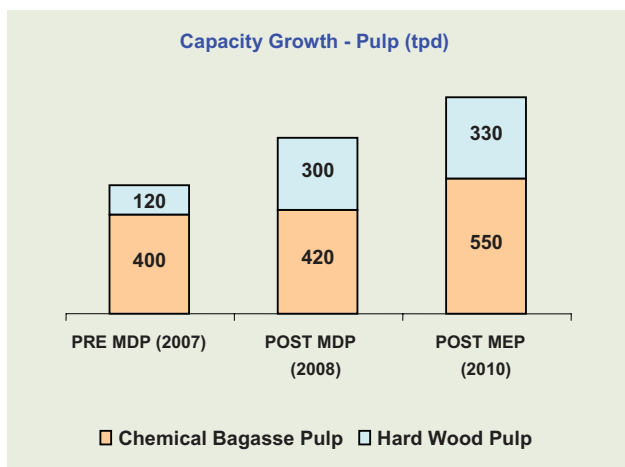
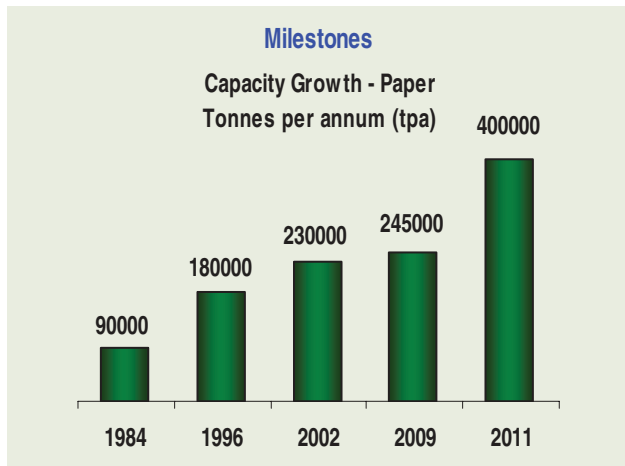
CHAIRMAN & MANAGING DIRECTOR

Place:Chennai
Date : 8.8.2013

**ANNEXURE - III
MANAGEMENT DISCUSSION AND ANALYSIS**

I. INTRODUCTION

Tamil Nadu Newsprint and Papers Limited (TNPL) is a Public Limited company. The company was incorporated in 1979 by the Govt. of Tamil Nadu (GOTN), to manufacture Newsprint and Printing & Writing Paper(PWP) using bagasse as the primary raw material. The Mill is located at Kagithapuram in Karur District, in a campus of 830 acres. TNPL commenced production in 1984 with an initial capacity of 90,000 tons per annum (tpa) and the current capacity is 400000 tpa. The company achieved the growth in capacity in four phases. The company has increased its pulping capacity in tandem with the growth in paper capacity.



II. INDUSTRY SCENARIO

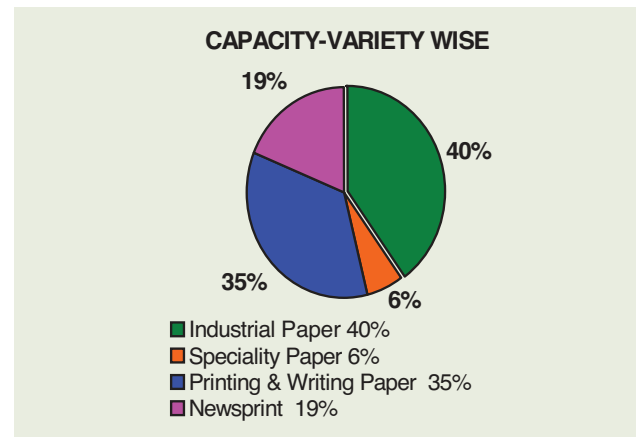
India ranks 15th among paper producing countries in the world. The total installed capacity in the country is approximately 12 million tonnes. The industry is fragmented with over 700 paper mills. Only 50 mills have a capacity of 50000 tpa or more.

The current demand of 12 million tons is expected to reach 20 million tons by 2020 and 30 million tons by 2030. India is rated as one of the fastest growing markets in the world because of the country's rapid GDP growth.

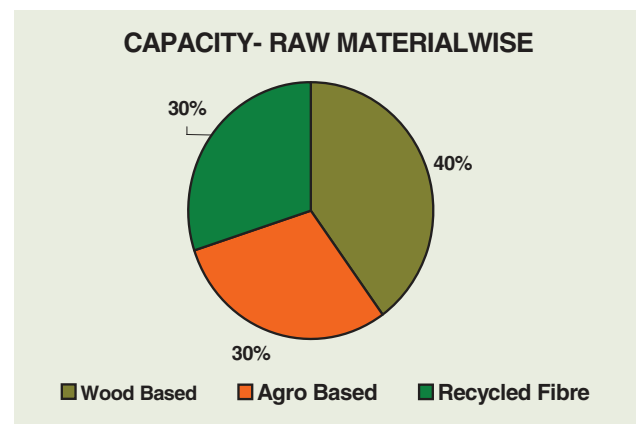
The paper industry is divided into four segments i.e. Newsprint, (NP), Printing & Writing Paper (PWP), Industrial Paper and Speciality Paper. TNPL produces 4 lakh tons per annum of uncoated Printing & Writing Paper, approximately 11% of the total production of PWP in the country.

The per capita consumption of paper in India is about 10 Kg. against the world average of 60 Kg. and Asian average of 40 Kg.

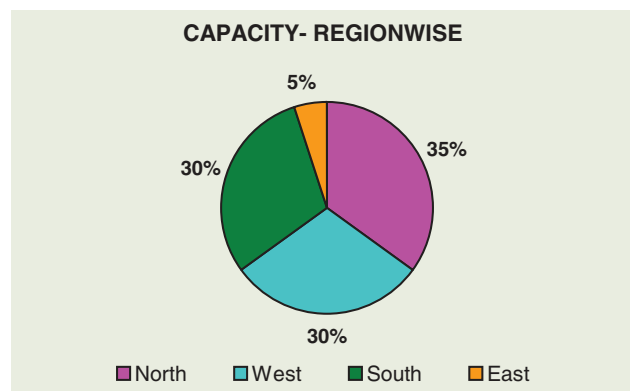
Nationwide PWP accounts for about 35%, Newsprint 19%, Industrial paper 40% and speciality papers 6% of total production.



The paper industry is broadly divided into three categories i.e. wood-based 40%, agro-based 30% and waste paper based (recycled fibre) 30%. Large mills in the country are generally wood based. TNPL uses bagasse as the primary raw material.



About 35% of the capacity is located in North India, 30% in West, 30% in South and 5% in East.



Newsprint and Light weight coated (LWC) paper have Zero Duty with effect from 11.2.2009. Import duty is 10% on Printing and Writing paper from 1.3.2007. Excise duty is 6% from 17.3.2012.

Raw materials shortage, capital intensity, strict environment regulations are the major entry barriers to the industry.

III. STRATEGY

An organization becomes an outstanding performer when its growth consistently surpasses industry growth. TNPL's operational and financial performance is one of the best in the Indian Paper Industry. The following are the important elements of its corporate strategy which enables the company to perform outstandingly well consistently:

1. Customer orientation
2. Efficient cost management
3. Financial re-engineering
4. Pursuit of excellence in Management of Human Resources
5. Innovation
6. Continuous sustainable growth

1. Customer Orientation

TNPL product mix is always in line with market demand. New Products such as Surface sized papers and Pigment printing papers have received good response from the market.

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

TNPL is an ISO 9001 & ISO 14001 certified company. TNPL has exported 71226 mts of PWP to 47 countries in 2012-13 which indicates the global quality of its products.

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

2. Efficient Cost Management

TNPL has implemented several measures to reduce costs. TNPL has benchmarked its entire operations with Best Practices in the Industry in India and Worldwide. This has ensured optimum utilization of resources.

During the year, the Company has generated 101.33 lakh cubic meters of methane gas through two bio-methanation plants. The methane gas has been used in the lime kiln, replacing usage of 5966 kl. of furnace oil saving Rs.23.89 Cr.

Power requirement is met through captive power plants. Surplus power is exported to the grid. Energy conservation measures have brought savings in steam and power consumption.

Efficient cost management has made the company the lowest cost producer in the Industry.

3. Financial re-engineering

TNPL has swapped world bank's multi-currency loan of USD 45 million into US Dollar FCNR(B) loan. This has resulted in total savings of Rs.39.95 crores to the Company.

The company has enunciated a sound Forex Risk Policy. Pursuant to the Notification GSR No.913(E) & GSR 914(E) dt.29.12.11 issued by the Ministry of Corporate Affairs, GOI, the company unwound its hedging contracts relating to long term loans and realized exchange gain of Rs.106.68 cr during January 2012. The company utilized the proceeds to repay high cost working capital loans. The USD-INR forex risk in the dehedged loans due for repayment in the next 3-6 months are covered through "Currency Futures" and the cross currency risk through "Forward / Swap contracts".

The average cost of the long term loan availed as on 31.3.2013 works out to 7.74%. (31.3.2012 : 6.66%) and Working Capital loans 9.81% (31.3.2012 : 10.69%). Overall average cost is 8.42% (31.3.2012 : 8.01%)

4. 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 the employees at all levels. Senior Executives are sent to management programmes conducted by leading Management Institutes. The company has formulated a periodical performance appraisal system. Key Performance Indicators (KPI) are set for the organisation, the departments and the senior executives at the beginning of each year and appraisal is carried out at periodical intervals.

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

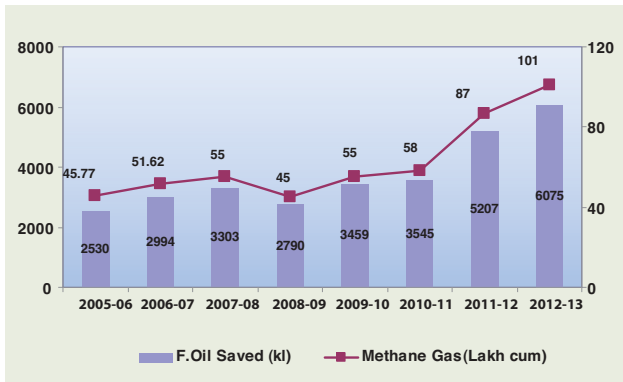
The Pursuit of Excellence underpins all activities relating to Management of Human Resources at TNPL.

5. Innovation:

TNPL is built on the concept that the environment must be

protected for the benefit of current and future generations. TNPL has perfected the technology of manufacturing newsprint & printing and writing paper from bagasse, a waste product of the sugar industry. This has been an outstanding innovation.

The first bio-methanation plant set up during 2003-04 and the second plant set up in 2008-09 have generated 584.39 lakh m³ of methane gas till 31.3.2013. The methane gas is used as a replacement of furnace oil. The project was registered with UNFCCC during 2006 as the country's First CDM Project in the waste management sector.



Setting up a 600 tpd. Cement plant for converting mill wastes such as lime sludge and fly ash into high grade cement is also an innovative step implemented for the first time in the country.

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

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

6. Continuous Sustainable Growth:

Since inception, TNPL has pursued continuous growth which is sustainable in the long term. TNPL has grown from the initial capacity of 90,000 tpa in 1984 to 4,00,000 tpa in 2011. Currently TNPL occupies the third position in capacity and second position in production of printing and writing paper in the country. The company has three paper machines. Paper Machine- 1, with a capacity of 1,15,000 tpa., Paper Machine-2 with a capacity of 1,30,000 tpa and Paper Machine-3 with a capacity of 1,55,000 tpa.

Pulping capacity has been increased in tandem with paper capacity from 520 tpa to 880 tpa.

TNPL has adopted Elemental Chlorine Free bleaching in 2008. Life Cycle Extension was carried out in Paper Machine-I in April 2009. Every phase of growth is supported by the use of state-of-the-art technology and equipment quality of global standards.

IV. THE SUCCESS DRIVERS

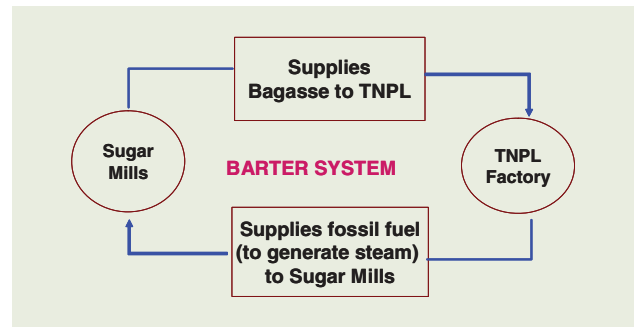
Environment Management

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

Raw material Management: Bagasse

TNPL is the largest producer of paper from bagasse(a waste product of the sugar industry)

TNPL uses about 1 million tonnes of depithed bagasse for producing 4,00,000 MT of Printing & Writing Paper. TNPL has established tie-up arrangements with eight sugar mills for procuring bagasse in exchange of steam.



Raw material management: Pulpwood

TNPL implemented Farm Forestry and Captive Plantation schemes during 2004-05 to become self-sufficient in pulpwood.

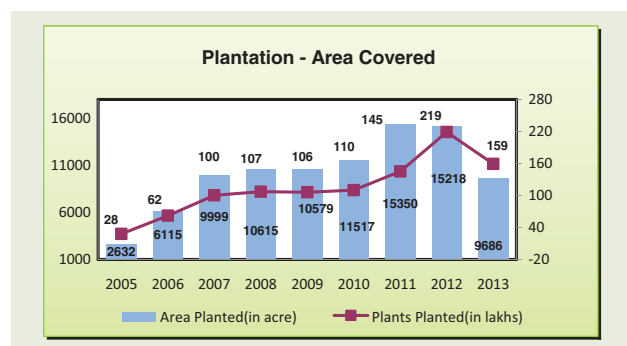
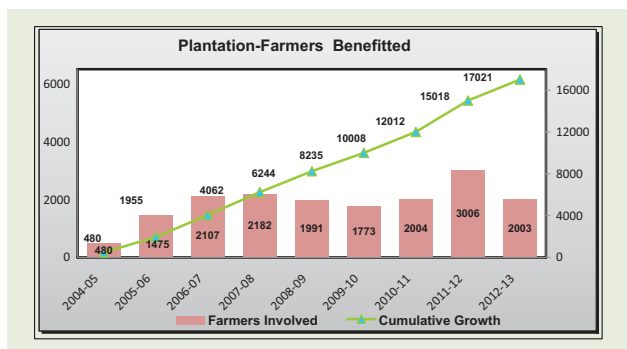
Under the Farm Forestry Scheme(FFS), TNPL motivates individual farmers and institutions to raise fast growing pulp wood plantations in their dry lands. The scheme involves supply of high quality clones/seedlings at subsidized rates, providing technical assistance and installing a buy back arrangement at guaranteed prices.

Under the Captive Plantation Scheme (CPS), TNPL enters into a MoU with land owners for establishment of plantation in their land either on lease basis or on gross revenue sharing basis. The minimum land holding is 25 acres and above. Under CPS, TNPL bears all expenses from land development to harvesting.

Through effective implementation of the above schemes, TNPL has established pulpwood plantations in 91,711 acres benefiting 17,021 farmers since 2004. The details are given below:

Year	Farm Forestry	Captive Plantation	Total (Acres)
2004-05	1891	741	2632
2005-06	6055	60	6115
2006-07	9718	281	9999
2007-08	10529	86	10615

2008-09	9448	1131	10579
2009-10	9687	1830	11517
2010-11	13001	2349	15350
2011-12	13116	2102	15218
2012-13	8698	988	9686
Total	82143	9568	91711



TNPL plantation has improved the socio - economic status of the farming community in 28 Districts of Tamilnadu. The pulpwood harvest was commenced in 2009-10. Till March 2013 TNPL has procured 5.54 lakh MT of pulpwood directly from the farmers.

TNPL has set up a world class Clonal Propagation and Research Centre (CPRC). So far, 45.55 Million quality clones/seedlings from known pedigree sources have been produced at CPRC and distributed to the farmers.

The Forestry Research and Development unit established by the Company undertakes tree improvement programmes such as Screening of superior genotypes, Introduction of new germplasm, Inter and Intra species hybridization, standardization of micro & macro propagation techniques and conducts multi location adaptive trials. TNPL has established adequate linkage with other Research Institutes.

TNPL has set a target of adding 15000 acres in the year 2013-14. 1.50 lac MT of pulpwood is expected to be procured from the Farm Forestry and Captive Plantation schemes next year.

Forest Stewardship Council (FSC) certificate.

Forest Stewardship Council (FSC) is a Global, independent, non-governmental, non-profit organization established by leading social, environmental and economic players to promote

responsible management of forests. FSC issues certificates in Forest Management (FM) and Chain of Custody (COC) to recognize the companies which procure forest based raw materials ensuring environmental and social sustainability. An FSC certificate guarantees legal sourcing of fibrous raw materials such as wood and wood based products.

TNPL has obtained FSC Chain of Custody & Controlled Wood Certificate (SW-COC-005007 & SW-CW-005007) valid for five years till 20th July 2015 and Forest Management and Chain of Custody Certificate (RA- FM/CoC-006000) valid for five years till 5th July 2017.

During 2012-13, TNPL has produced 6411 MT of FSC certified Paper.

Fuel Management

TNPL consumes black liquor solids in the recovery boiler and solid fuel in the power boilers to generate steam. TNPL also uses agro fuel such as saw dust, paddy husk, coir pith and coconut shells, both in the main factory and the off-sites depending on economics and availability.

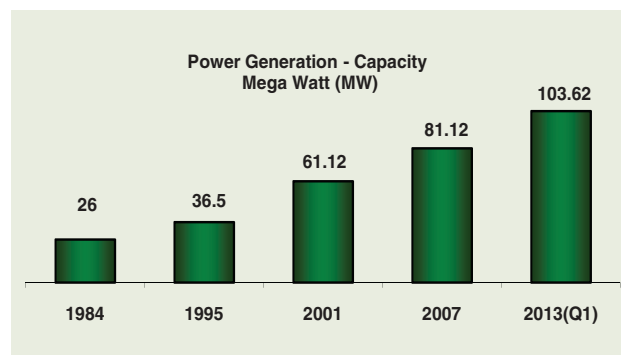
Black liquor solid is now recognized as bio-mass. Power generated from the steam produced in the recovery boiler is eligible for Renewable Energy Certificates (RECs). TNPL has received 136738 RECs upto 31.3.2013. TNPL is the First Company in the Paper Industry to have been awarded this benefit.

Water Management

TNPL sources water from the river Cauvery. TNPL has installed a series of rain water harvesting structures in the factory campus. The Mill Development Plan implemented in May 2008 has reduced the fresh water consumption to 55 KI per ton of paper- the lowest in the Industry. Continuous efforts are being made to further reduce water consumption.

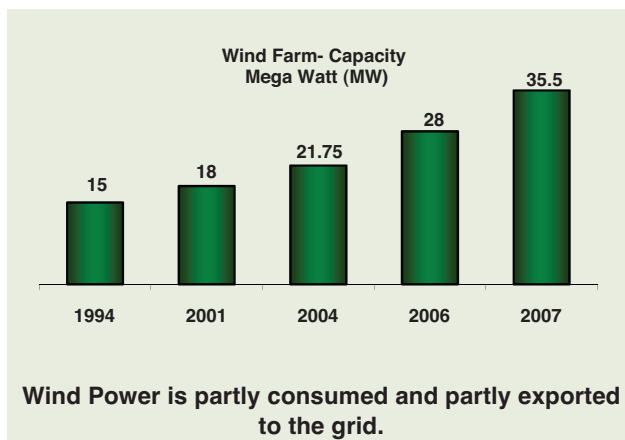
Energy Management

TNPL has six power boilers and five turbo generators with a power generation capacity of 81.12 MW. Power required for operation is met from these captive sources. The captive power generation capacity will be increased to 103.62 MW. during 2013-14 to meet the additional requirement of power for new installations. Any surplus power will be sold commercially.



TNPL installed its first Wind Farm of 15MW capacity during 1993-94 at Devarkulam and Perungudi in Tirunelveli District.

Since then, TNPL has progressively increased its Wind Farm capacity to 35.5 MW.



Marketing Management

TNPL has not produced newsprint during the year as it is uneconomical. The company is utilizing its resources exclusively for production of printing & writing paper.

TNPL sells its products across the country. The domestic market is served through a wide- network of dealers. The company has strengthened this network by appointing more dealers in growing urban markets.

TNPL exports its products to 66 countries around the world. During the year 2012-13 the company exported 71226 MT.

Research and Development

The Research and Development Dept. works on improving environment standards, increasing productivity, optimal utilization of resources, waste reduction measures, development of new products, up-gradation of existing products and cost reduction. It is also focused on reducing the carbon, energy, water and waste footprint. TNPL R & D, is recognized by the Department of Scientific and Industrial Research (DSIR), New Delhi.

Quality Control

Quality control in TNPL ensures that products are manufactured to meet customer requirements. This involves co-ordinated efforts by marketing, production and QC departments. Investment in state of art testing equipment, proper training of personnel in quality control activities and sensitivity to customer needs have helped to improve the quality of products.

The robust quality management system ensures that the customer receives quality products consistently.

Excellence in Corporate Governance

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

V. RESOURCES & LIQUIDITY

The expansion project for doubling the capacity from 90,000 tpa to 1,80,000 tpa implemented during 1993-96 was funded through internal generation, issue of shares and obtaining term loans. The capacity expansion from 1,80,000 tpa to 2,45,000 tpa and Life Cycle Extension of Paper Machine I carried out during April 2009 was funded exclusively through internal generation.

The Mill Expansion Plan for increasing the paper production capacity from 2,45,000 tpa to 4,00,000 tpa was funded through internal generation and borrowings. New projects, namely, setting up a 300 tpd Deinking Plant, revamping of steam and power system and setting up a 600 tpd cement plant using wasted lime sludge and fly ash were also financed through internal generation and borrowings.

Term loans outstanding as on 31.3.2013 is Rs.1004.34 cr. The working capital loans outstanding as on 31.3.2013 is Rs.490.41 cr. The weighted average cost of term loan outstanding as on 31.3.2013 is 7.74%.

VI OUTLOOK, OPPORTUNITIES AND CHALLENGES

Newsprint

As manufacture of newsprint is uneconomical, TNPL has not produced newsprint during the year. It is unlikely to do so next year as well.

Printing & Writing Paper

The Indian Paper Industry market size is estimated at 12 million tons consisting of Printing & Writing Paper 4.2 million tons, Newsprint 2.3 million tons, Industrial Paper 4.85 million tons and Speciality Paper 0.65 million tons. In the Printing & Writing Paper, uncoated varieties constitute 3.52 million tons and coated varieties 0.60 million tons. Within the uncoated varieties, Creamwove papers constitute 50% and premium products 50%.

India has a low per capita consumption of PWP. The growth in the education sector, increased corporate activity, life cycle changes and growth in publications are the major growth drivers in the uncoated Printing & Writing Paper segment.

Packaging Boards

The packaging board market is estimated at 2.4 million tonnes. About 50% of the market is grey back boards and the remaining 50% is white back boards and high end boards i.e Folding Box Board, Solid Bleach and Sulphate Board etc.

Opportunities and Challenges

The demand for uncoated Printing & Writing Paper is expected to grow consistently at 8-9% per annum and high end packaging board at 12-13% per annum.

The major challenges are the continued shortage of raw materials such as pulpwood, recycled paper and residues from agricultural industry. An upward spiral in raw material prices, higher interest rates and the increase in fuel prices have steeply increased the cost of production and poses a further challenge.

High capital cost, lower asset turnover ratios, low profit margins and high environmental regulations make the Industry unattractive for new entrants.

VII. KEY PROJECTS IMPLEMENTED /UNDER IMPLEMENTATION / TO BE IMPLEMENTED:

a) Project implemented:

Lime Sludge & Fly Ash Management (600 tpd Cement Plant)

TNPL has set up a 600 tpd integrated dry process Cement Plant to convert waste materials such as lime sludge and fly ash into high grade cement. The plant is producing both Ordinary Portland Cement (OPC) and Pozzolona Portland Cement (PPC). The cement will be sold under the brand name "TNPL Cement".

b) Projects under implementation:

Installation of De-inked Pulp Plant

TNPL is setting up a 300 tpd state-of-the-art Deinked Pulp (DIP) line to produce high quality printing and writing paper. This plant will be the first of its kind in India. This project has been commissioned in July 2013.

Revamping of Steam & Power System

TNPL is installing a new, high pressure, energy efficient and environment friendly CFBC boiler of 125 tph to replace the existing three low pressure boilers of 60 tph each. Along with the new CFBC boiler, a new Turbo Generator (TG) set of 41 MW power generation capacity is also being installed to replace two TG sets of 18 MW capacity. The project also features installation of an Air Cooled Condenser (ACC) in place of a conventional water cooled condenser, to conserve water to the tune of 1,500 M³/day. The erection of TG and ACC have been completed. The Boiler erection is nearing completion. The project is scheduled for completion in September 2013.

Installation of PCC and WGCC plants on BOO basis

To source Precipitated Calcium Carbonate (PCC) and Wet Ground Calcium Carbonate (WGCC) at economical prices, the company has entered into a BOO Agreement with M/s. Omya India Limited, a fully owned subsidiary of M/s. Omya, Switzerland to set up production facilities of both at a site near the Cement Factory. OMYA has received Environmental Clearance for both the projects. The WGCC Plant will be commissioned by September 2013 and the PCC Plant by March 2014.

c) Project to be implemented:

Multilayer Double Coated Board Plant:

TNPL will set up a State-of-the-Art Multilayer Double Coated Board Plant of a capacity of 2,00,000 tons per annum at a capital outlay of Rs.1200 Crore in Manaparai Taluk, Trichy District. The project will be taken up for implementation during the financial year 2013-14 and completed by March 2016. The project will provide direct and indirect employment to about 2000 people. The project will be financed through internal generation of funds and borrowings.

VIII. 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 at Senior Management Committee meetings to ensure that the risk mitigation plans are implemented and adverse impact of the risks are minimized.

The mitigation plans for these risks are also placed before the Audit Committee and the Board bi-annually.

IX. INTERNAL CONTROLS

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. Internal controls are supported by internal audit and management reviews. The Audit Committee meets periodically the management, external-internal auditors, Internal auditors, statutory auditors and reviews the Annual Audit plans and internal controls. All significant observations of the Auditors are acted upon.

The Audit Committee met five times during the financial year. The review of Management Response to Audit Observations, constitutes an important aspect of the Agenda for each meeting.

X. ENVIRONMENT

TNPL is committed to be Environment friendly and to focus on Safety and Health. TNPL has policies on Environment, Health & Safety and the following are its important constituents:

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

During February '13, M/s TuV India Limited, a subsidiary of TuV NORD, Germany carried out a Surveillance Audit of TNPL's Environmental Management Systems and confirmed that TNPL is conforming to the requirements of ISO 14001:2004 standards.

The bio-gas generated in Bio-methanation plant using high COD bagasse wash effluent is used in the lime kilns replacing expensive furnace oil.

TNPL's treated effluent water is used for irrigation of around 1700 acres of land under TNPL Treated Effluent Water Lift Irrigation Scheme (TEWLIS) and 306 acres of land under Captive Plantation scheme.

TNPL has carried out a pilot study at a capital outlay of Rs.432 lakhs to explore techno-commercial feasibility of treating effluents using membrane technology to segregate the pollutants at source and to recover the water for recycling.

A 500kg/day bio gas plant installed during 2012 generates bio-gas from Kitchen wastes. The bio-gas is consumed in the guest house for cooking. The organic solid residue from the digester is used as manure.

TNPL celebrated "Environment Protection Day" on 24/11/12, and 37000 saplings were planted in 37 acres inside the factory premises on that day.

XI. HUMAN RESOURCES DEVELOPMENT

a) KNOWLEDGE MANAGEMENT

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

b) INDUSTRIAL RELATIONS

The Company maintains healthy industrial relations. Issues concerning workmen are discussed bilaterally and resolved amicably. During the year under review, wage agreements for 4 years effective from 16.05.2010 have been concluded with workmen and chargemen. Pay revision in respect of Executives has also been finalized and implemented. Salary revision for staff will be negotiated in the near future.

Elections were conducted to select Recognized Unions. Three Registered Trade Unions have been selected for workmen. The Staff union has been recognized without election.

A positive work culture built over the years has enabled the company to effectively utilize its human resources.

c) HEALTH

An Occupational Health Centre functioning round the clock in the housing colony takes care of the employees and their dependants. Specialist Doctors in Cardiology, General Medicine, Ortho, Skin, Gynecology, Eye, Dental, ENT and Psychiatry visit the Occupational Health Centre every Sunday. Occupational Health Centre is provided with requisite emergency medicines.

The company bears the entire medical expenses for 7 Serious Ailments i.e. Heart Ailment, Cancer, Kidney Transplantation, Paralysis, Leprosy, Tuberculosis and Brain Surgery. Expenses incurred for treatment for injuries sustained while on duty are also entirely borne by the company.

Under a Special medical assistance Scheme, 50% of the hospitalization expenses for employees and their dependants are borne by the company.

Comprehensive Health check-up is carried out thrice in the service period for employees i.e. at age 40 years, 50 years and above 56 years. Audiometry test is conducted to those employees who are exposed to high noise level every year and Eye Test once in 2 years.

d) SAFETY

TNPL has adopted a clearly defined Occupational Health and Safety Policy. Suitable Personal Protective Equipment (PPE) is provided to all employees. Periodical Training Programs are conducted on handling of hazardous chemicals, Material handling, Usage of PPEs, fire fighting etc. to improve safety awareness among the employees and contract workmen.

Mill wide Safety Audit, HAZOP study and Risk Analysis are carried out periodically through experts in industrial safety and their recommendations are implemented rigorously.

Material Safety Data Sheets (MSDS) are displayed at all the hazardous chemical storage areas. Testing of Pressure Vessels, Lifting tackles, Safety belts, Conveyor Systems, Building Stability, Chemical stored FRP tanks etc., are carried out through competent persons. An updated Onsite Emergency Plan (OEP) and Off-site Emergency Plan are available to mitigate emergencies. Periodic mock drills on 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 mains for fire fighting. Also fire extinguishers are provided at strategic points. In addition, two mobile fire tenders and one portable fire pump are available to tackle any emergency.

Since inception, TNPL has maintained an excellent safety record.

CORPORATE SOCIAL RESPONSIBILITY

TNPL is consistently taking various community welfare initiatives for the benefit of the people living in areas surrounding the factory. Community Development activities are undertaken in consultation with local Panchayats. The needs are categorized under various heads viz., Infrastructure and basic amenities, construction of drainages and retaining walls, improvement scheme for providing drinking water supply, education, medical camps & cattle care camps, agriculture & environment, promotion of Tamil literature, Art & culture, assistance for the differently abled, training of unemployed youth, medical facilities, sports & competitions etc.

Every year approximately 3% of the Profit after Tax of the previous year is allocated for CSR activities. The company has spent Rs.5.36 crores for CSR activities during the year 2012 - 2013.

During the year 2012-2013, financial assistance of Rs. 14.68 lakhs was given from TNPL Arakkodai Trust for education and medical treatment.

XII CAUTIONARY STATEMENT

The Management Discussion and Analysis Report contains forward looking statements based upon the data available with the Company, assumptions with regard to global economic conditions, government policies etc. 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.

ANNEXURE - IV REPORT ON CORPORATE GOVERNANCE

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

A. MANDATORY REQUIREMENTS

1. Company's Philosophy

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

2. Board of Directors

a. Composition and Category of Directors

As on 31.3.2013, the Board consisted of eight directors - a Chairman and Managing Director, two other non-executive Directors nominated by GOTN, two Executive Directors and three independent, non-executive Directors.

As per Clause 49 of the Listing Agreement, where the Chairman of the Board is an Executive Director, at least half of the Board should comprise of independent directors. The composition of the Board of Directors of TNPL complied with the provisions of Clause 49 of the Listing Agreement except for the period from 14th December 2012 to 31st March 2013. This has since been rectified by the induction of two independent directors.

Independent director shall mean Non-executive director of the company who:

- a) Apart from receiving the Director's remuneration, does not have any material or pecuniary relationships or transactions with the company, its promoters, its senior management or its holding company, its subsidiaries and associated companies.
- b) Is not related to promoters, Chairman, Managing Director, Whole-time director, Secretary, CEO or CFO and of any person in the management at one level below the board.
- c) Has not been an executive of the company in the immediately preceding three financial years.
- d) Is not a partner or an executive of the statutory audit firm or the internal audit firm that is associated with the company and has not been a partner or an executive of any such firm for the last three years. This will also apply to legal firm(s) and consulting firm(s) that have a material association with the entity.
- e) Is not a supplier, service provider or customer of the company. This should include lessor-lessee type relationships also and
- f) Is not a substantial shareholder of the Company i.e. owning two per cent or more of the block of voting shares.

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

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.

Board's functioning and Procedure

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

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

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

b. Attendance of each Director at the Board of Directors' Meetings held during 2012-2013 and the last AGM is as follows:

Director	Board of Directors' Meetings		Last AGM (held on 21.9.12) Attended
	No. of Meetings Held	Attended	
EXECUTIVE DIRECTORS			
Tvl.			
N S Palaniappan IAS Chairman and Managing Director (in charge w.e.f. 13.12.12)	2	2	-
Santosh K Misra IAS Managing Director (Between 25.1.12 and 31.5.12)	1	1	-
Md.Nasimuddin IAS Managing Director(full additional charge) (Between 31.5.12 and 13.12.12)	4	4	Attended
A Velliangiri Deputy Managing Director	7	7	Attended
R Mani Director(Operations)	1	1	-
NON-EXECUTIVE DIRECTORS FROM GOTN			
Dr. N Sundaradevan IAS (Part-time Chairman) (Between 27.5.11 and 30.9.12)	3	3	Attended
Vikram Kapur IAS (part time Chairman) (Between 12.10.12 and 13.12.12)	2	2	-
S Krishnan IAS	7	5	Not Attended
N Mathivanan IAS (Between 11.11.11 and 6.11.12)	3	-	Not Attended
Mahesan Kasirajan IAS (w.e.f.6.11.12)	4	2	-
INDEPENDENT NON-EXECUTIVE DIRECTORS			
V Narayanan	7	7	Attended
N Kumaravelu	7	7	Attended
M R Kumar	7	7	Attended

c) Number of other Company Boards or Board Committees in which each of the Directors of the Company is a Member or Chairperson:

Name of Director	Category	Directorships held in other Companies		Committee Memberships held in other Companies	
		As Director	As Chairman	As Member	As Chairman
Tvl.					
N S Palaniappan IAS	Executive	10	5	-	-
S Krishnan, IAS	Non-Executive	10	-	-	-
Mahesan Kasirajan IAS	Non-Executive	1	1	-	-
V Narayanan	Non-Executive	1	-	1	-
N Kumaravelu	Non-Executive	2	1	-	-
M R Kumar	Non-Executive	-	-	-	-
A Velliangiri	Executive	-	-	-	-
R Mani	Executive	-	-	-	-

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

Seven Board Meetings were held during the year 2012-2013 as against the minimum requirement of four meetings. The meetings were held on the following dates:

29.5.12, 14.8.12, 21.9.12, 6.11.12, 7.12.12, 8.2.13, 22.3.13

e. Information placed before the Board of Directors

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

1. Minutes of the meetings of the Board, the Audit Committee and Investors' Grievances Committee
2. Quarterly, half yearly and annual financial results of the company and its business segments
3. Annual operating plans and budgets and any updates
4. Capital budgets and any updates
5. Cost Audit report / Secretarial audit report
6. Appointment of statutory auditor, secretarial auditor, cost auditor and internal auditor
7. Materially important show cause, demand, prosecution and penalty notices
8. Legal compliance report and certificate
9. Review of foreign exchange exposures and exchange rate movement, if material
10. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems, if any
11. Any material default in financial obligations to and by the company or substantial non-recoveries against sale, if any
12. Any issue, which involves possible public or product liability claims of substantial nature, including any judgement or order which may have passed strictures on the conduct of the company or taken an adverse view regarding another enterprise that can have negative implications on the company, if any
13. Significant labour problems and their proposed solutions. Any significant development in human resources / industrial relations front like signing of wage agreement, implementation of voluntary retirement scheme etc.
14. Non-compliance of any regulatory, statutory nature or listing requirements and shareholders' service such as non-payment of dividend, delay in share transfer etc.
15. Issues relating to shareholders such as ratification of transfers, demat status, pending grievances, issue of duplicate share certificates etc.
16. Contracts in which Director(s) are deemed to be interested
17. Details of investment of surplus funds available with the company
18. General disclosure of interest

f. Board material distributed in advance

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

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

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

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

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

g. Recording minutes of proceedings at Board Meeting

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

h. Post Meeting Follow-up Mechanism

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

i. Compliance

The Company Secretary is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 1956 read with the rules issued thereunder 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 33rd Annual General Meeting along with the Explanatory Statement.

3. Audit Committee (Statutory)

a. Terms of reference

The terms of reference of this Committee are wide enough to cover the matters specified for Audit Committee under Clause 49 (IID) of the Listing Agreement as well as in Sec.292(A) of Companies Act and are as follows:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
2. Recommending to the Board the appointment, reappointment and if required, the replacement or removal of the statutory auditors and fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to :
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of Clause (2AA) of Section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Companies with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit functions, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
8. Discussions with internal auditors any significant finding and follow-up thereon
9. Reviewing the findings of any internal investigations by the internal auditors into matter where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board
10. Discussions with statutory auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern
11. To look into the reasons for substantial default in the payment to depositors, debentureholders, shareholders (in case of non-payment of declared dividend) and creditors
12. Reviewing the company's financial and risk management policies
13. The Audit Committee should have discussions with the auditors periodically about the internal control systems, the scope of audit including the observations of the auditors and review the half yearly and annual financial statements before submission to the board and also ensure compliance of internal control systems.
14. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in this section or referred to it by the Board and for this purpose, shall have full access to information contained in the records of the company and external professional advice, if necessary.
15. To review internal audit programme, to ensure co-ordination between the internal and statutory auditors, to ensure the internal audit function is adequately resourced and has appropriate standing within the company and to request internal audit to undertake specific audit projects, having informed management of their intentions.
16. Review of Cost Audit Report
17. 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.

18. Considering such other matters as may be required by the Board.
19. To review periodically statutory compliances of various laws, regulatory changes, if any.
20. Periodically review pending legal cases.

The Audit Committee mandatorily reviews the following information :

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

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

b. Composition, name of members and Chairperson

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

Thiru V Narayanan, Chairman of the Committee

Thiru N Kumaravelu, Member

Thiru M R Kumar, Member

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

c. Meetings and attendance during the year(CI. 49(II B)

Director	No. of Meetings Held	Attended
Tvl.		
V Narayanan	5	5
N Kumaravelu	5	5
M R Kumar	5	5

The Audit Committee met 5 times during 2012-13 as against the minimum requirement of 4 meetings. The dates on which the meetings were held are given below:

29.5.12, 14.8.12, 21.9.12, 6.11.12, 8.2.13

4. Investors' Grievances Committee (Statutory)

a. Investors' Grievances Committee

Shareholders' complaints/grievances are redressed by the Registrar and Transfer Agent, namely M/s.Cameo Corporate Services Limited. The Board also constituted Investors' Grievances Committee in August 2001. The following three non-executive directors are the members in the Investors' Grievances Committee as on 31.3.2013

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

The Investors' Grievances Committee met on 6th November 2012 and reviewed the grievances / complaints received and the action taken on the grievances / complaints.

It has been decided to hold two meetings in a year from the accounting year 2013-14.

Terms of reference:

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

a. To monitor work related to:

- transfer and/or transmission of equity shares of the company
- dematerialisation / rematerialisation of the shares of the company
- sub-division, consolidation and /or replacement of any share certificate(s) of the company

- b. Approval of issue of duplicate share certificates against the original share certificates
- c. To look into the redressing of shareholders and investors complaints like
Transfer of shares, non-receipt of balance sheet and non-receipt of declared dividend.
- 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.

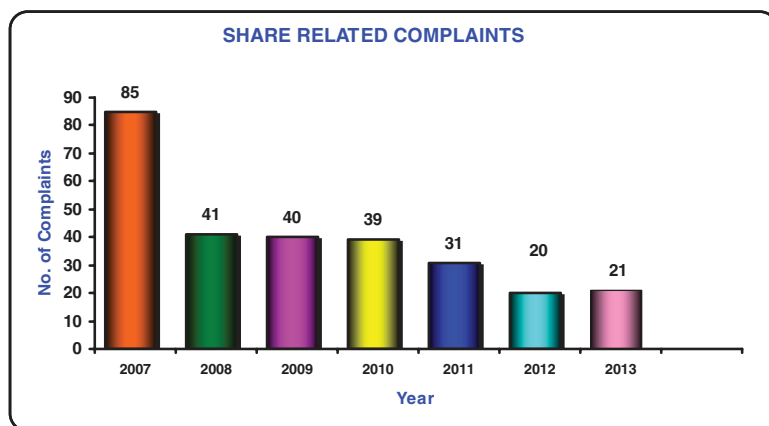
The number of complaints received and resolved to the satisfaction of investors during the year under review and their break-up are as under:

Type of Complaints	Number of complaints
Non-receipt of Annual Reports	-
Non-receipt of Dividend Warrants	20
Non-receipt of Share Certificates	1
Total	21

Complaints Status: 1.4.2012 to 31.3.2013

Nature of complaints (Received and Resolved)	Q1	Q2	Q3	Q4	Total
Securities and Exchange Board of India	-	-	-	1	1
Stock Exchanges	-	-	-	2	2
Shareholders	2	2	5	9	18
Total	2	2	5	12	21

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



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

b. Share Transfer Committee

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

All valid share transfers during the year ended 31.3.13 have been acted upon. No share transfer was pending as on 31.3.13.

5. Remuneration Committee (Non-statutory)

a. Remuneration Policy

Thiru N S Palaniappan IAS was appointed as Chairman and Managing Director by the Government on 13.12.12. He is being paid remuneration in accordance with the Govt. rules as applicable to his cadre.

Thiru Santosh K Misra IAS, was appointed as Managing Director by the Government on 24.1.12 and was relieved on 31.5.12. He was paid remuneration in accordance with the Govt. Rules as applicable to his cadre.

Thiru Md.Nasimuddin IAS joined the company on 31.5.2012 as Managing Director(fac) and was relieved on 13.12.2012. He was paid remuneration in accordance with the Govt. Rules as applicable to his cadre.

Thiru A Velliangiri, Dy.Managing Director's service has been extended for one year from 19.12.2012 on the existing terms and conditions. Thiru A Velliangiri, as Dy.Managing Director is drawing remuneration as per the Contractual Appointment order dt.18.12.12, details of which were circulated to all the shareholders vide Notice dt.22.12.12 under Sec.302 of the Companies Act, 1956.

Thiru R Mani, Director (Operations) is drawing remuneration as per the Contractual Appointment order dt.13.2.2013, details of which were circulated to all the shareholders vide Notice dt.27.2.2013 under Sec.302 of the Companies Act, 1956..

No remuneration except sitting fees for attending the Board/Committee Meetings is paid to other Directors. As such, there has been no need to constitute a Remuneration Committee which is not a mandatory committee under SEBI Guidelines.

b. Details of remuneration for the year ended 31.3.2013

Executive Directors

(Rs. in lakh)

Name & Position	Pay & Allowances	Reimbursement of medical expenses	Perquisites	Total	Retirement Benefits
Tvl Santosh K Misra IAS Managing Director (ceased w.e.f.31.5.12)	2.29	-	0.20	2.49	As per Govt. rules applicable to his cadre
T K Ramachandran IAS Managing Director (ceased w.e.f.9.1.12)	1.49	-	-	1.49	-do-
Md.Nasimuddin IAS Managing Director(fac) (ceased w.e.f.13.12.12)	1.47	0.30	-	1.77	-do-
A Velliangiri Dy.Managing Director	22.34	1.28	3.98	27.60	Gratuity and Super-annuation as per rules of the company included in the perquisites
R Mani Director(Operations)	1.46	0.10	0.28	1.84	-do-
Total	29.05	1.68	4.46	35.19	

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 (Rs.)		
	Board	Audit	Investors' Grievances
Tvl. Dr.N Sundaradevan IAS	45000*	-	-
Vikram Kapur IAS	30000*	-	-
S Krishnan IAS	75000*	-	-
Mahesan Kasirajan IAS	30000*	-	-

V Narayanan	105000	75000	15000
N Kumaravelu	105000	75000	15000
M R Kumar	105000**	75000**	15000**
Total	495000	225000	45000

* remitted to Govt. of Tamil Nadu

**remitted to LIC of India Ltd.

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

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

Shareholdings of Directors

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

6. General Body Meetings

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

Year	Location	Date	Time	Special Resolution passed In the AGM by shareholders
2009-10	Music Academy Chennai 14	8.9.2010	10.30 AM	No
2010-11	-do-	15.9.2011	10.30 AM	No
2011-12	-do-	21.9.2012	10.25 AM	No

Postal Ballot

No special resolution was put through postal ballot last year.

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 circular resolutions were passed which were recorded at the subsequent Board meetings.

Secretarial Compliance Report

- a. As a measure of good corporate governance practice, though not legally required, a Secretarial Audit on the compliance of corporate laws and SEBI regulations was conducted by M/s.R Sridharan & Associates, Practicing Company Secretaries for the financial year ended 31st March 2013.

b. Secretarial Audit Reports

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

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

For the quarter ended	Furnished on
30th June 2012	12th July 2012
30th September 2012	5th October 2012
31st December 2012	8th January 2013
31st March 2013	3rd April 2013

Secretarial Standards

The Institute of Company Secretaries of India (ICSI) is one of the premier professional bodies in India. ICSI has issued Secretarial Standards on important aspects like Board meetings, General Meetings, payment of Dividend, Maintenance of Registers and Records, minutes of meetings and transmission of shares and debentures, passing of resolutions by circulation, affixing of Common Seal, forfeiture of shares and Board's Report. Though these standards are recommendatory in nature, the company adheres to the standards voluntarily.

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 2012-13 the Compliance Report on Corporate Governance to stock exchanges in the prescribed format within 15 days from the close of the quarter.

7. Disclosures –Cl.49(iv)

- a. There are no significant Related Party Transactions during the year of material nature, with its promoters, the directors or the management or their subsidiaries or relatives etc. potentially conflicting with company's interest at large. Related Party transactions are disclosed in the notes to Accounts forming part of this Annual Report.
- b. As per Clause 49(V) of the Listing Agreement, the Chief Executive Officer i.e. Chairman and Managing Director and the Chief Financial Officer i.e. Deputy Managing Director certified to the Board on their review of financial statements and cash flow statements for the financial year ended 31st March 2013 in the form prescribed by Clause 49 of the Listing Agreement which is annexed.
- c. There were no instances of non-compliance on any matter relating to the capital market during the last three years.
- d. The company has complied with all Mandatory requirements of the Clause 49 of the Listing Agreement. As regards the non-Mandatory requirements, the extent of compliance has been stated in Part B of this report.
- e. 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 33rd Annual General Meeting.
- f. Presently, the company does not have whistle blower policy

Code of Conduct-CL.49(ID)

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 and a Code of Conduct for prevention of Insider Trading adopted pursuant to Cl.49(D) of the listing Agreement and SEBI(Prohibition of Insider Trading)Regulations, 1992 (as amended) respectively has been detailed below:

The code is applicable to all Directors and specified Senior Management Executives. The code impresses upon Directors and Senior Management Executives to uphold the interest of the company and its stakeholders and to endeavor to fulfil all the fiduciary obligations towards them. Another important principle on which the code is based is that the Directors and Senior Management Executives shall act in accordance with the highest standard of honesty, integrity, fairness and ethical conduct and shall exercise utmost good faith, due care and integrity in performing their duties. The code has been posted on the website of the company www.tnpl.co.in.

Affirmation of compliance of Code of Conduct for the financial year 2012-13 has been received from the Directors and Senior Management personnel of the company.

8. Means of Communication

- a. Half-yearly report sent to each household of shareholders : No *
- b. Quarterly results :
Newspapers published in : Financial Express
Business Standard
Dhinathanthi
Website where displayed : www.tnpl.co.in
- 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
Business Standard
Dhinathanthi
- e. Whether Management Discussion & Analysis (MDA) 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 Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The presentations broadly cover operations, financials and industry outlook.
- 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 (MDA) Report forms part of the Annual Report. The Annual Report is also available on the Company's website.
- h. Chairman's communiqué: Printed copy of the Chairman's speech is distributed to all the shareholders at the Annual General Meeting.
- i. NSE Electronic Application Processing System (NEAPS): The company also files information through NEAPS – a web based application provided by NSE which facilitates online filing of Corporate Governance Report and the shareholding pattern by companies.
- j. Extensive Business Reporting Language (XBRL): XBRL is a language for electronic communication of business and financial data. It offers major benefits to all those who have to create, transmit, use or analyse such information which aids better analysis and decision making. Ministry of Corporate Affairs (MCA) vide its circular No.37/2011 dated 7th June 2011 had mandated certain companies to file their Annual Accounts vide this mode. The company has filed its Annual Accounts on MCA through XBRL.
- k. Ministry of Corporate Affairs: The company has periodically filed all the necessary documents with the MCA.
- l. SEBI Complaints Redress System (SCORES): A centralized web based complaints redress system which serves as a centralized database of all complaints received, enables uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by the investors of action taken on the complaint and its current status.

9. Risk Management

The company has established risk assessment and mitigation procedures, which are reviewed by the Audit Committee and the Board periodically. There is a structure in place to identify and mitigate various identifiable risks faced by the company from time to time. After assessment, controls are put in place with specific responsibility of the concerned officer of the company.

10) SHAREHOLDERS' INFORMATION

1. 33rd Annual General Meeting

Day, Date and Time	Thursday, 19th September 2013 at 10.15 AM
Venue	The Music Academy, 168, T.T.K.Road, Chennai-600 014.

2. Financial Year Calendar (2013-2014) (Tentative) : The Company follows the period of 1st April to 31st March, as the Financial Year. For the Financial year 2013-14, Financial Results will be announced as per the following tentative schedule.

1st quarter ending June 30, 2013	Second week of August 2013
2nd quarter ending September 30, 2013	Second week of November 2013
3rd quarter ending December 31, 2013	Second week of February 2014
4th quarter ending March 31, 2014	Fourth week of May 2014

3. Book closure date 11.09.2013 to 19.09.2013 (both days inclusive) on account of AGM and Dividend.

4. (a) Dividend payment date : 20.09.2013 onwards.

(b) Dividend Policy :

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

5. Debt Instruments:

Non-convertible debentures issued by the company on private placement basis are listed at Bombay Stock Exchange Limited.

ISIN No.

i) Series I - INE107A07012 – 100 crores

ii) Series II - INE107A07020 – 50 crores

6. Listing of Equity Shares on

(a) Stock Exchanges at :

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

(2) Bombay Stock Exchange Limited
Listing Department
Phiroze Jeejeebhoy Towers
25th Floor
Dalal Street
Mumbai 400 001

(b) Depositories at :

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

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

(c) Debenture Trustees :

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

- Listing fee for Equity shares and Debt Securities for the year 2013 -2014 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 2013-14 have been paid to National Securities Depository Ltd.(NSDL) and Central Depository Services (India) Ltd. (CDSL)

7. Stock Code / Symbol

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

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

Month	Bombay Stock Exchange(BSE)			National Stock Exchange (NSE)		
	High Price	Low Price	Volume	High Price	Low Price	Volume
April 2012	110.00	94.05	263796	110.35	94.00	1200888
May 2012	109.95	94.95	141930	110.00	93.65	238507
June 2012	103.80	96.00	78653	104.00	97.65	371414
July 2012	115.00	103.00	94001	114.60	101.35	392900
August 2012	118.75	101.00	73622	116.80	106.75	307721
September 2012	116.00	104.30	616702	116.30	104.55	1596725
October 2012	121.75	106.00	396127	121.50	105.35	1542752
November 2012	119.25	106.00	167932	119.90	107.35	876940
December 2012	116.85	109.00	135472	118.40	108.90	701625
January 2013	113.30	103.55	85233	113.00	103.85	324880
February 2013	105.40	94.00	119766	106.00	94.00	361865
March 2013	98.80	93.00	124888	101.00	78.00	550475

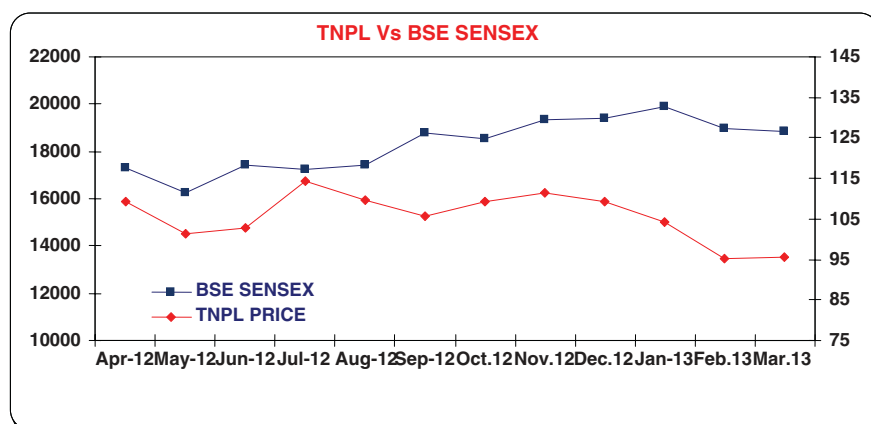
8(b).Market Capitalisation (Rs.)

Market Capitalisation	BSE	NSE
As on March 31, 2012	667,19,01,840	664,42,17,600
As on March 31, 2013	661,65,33,360	657,84,67,530

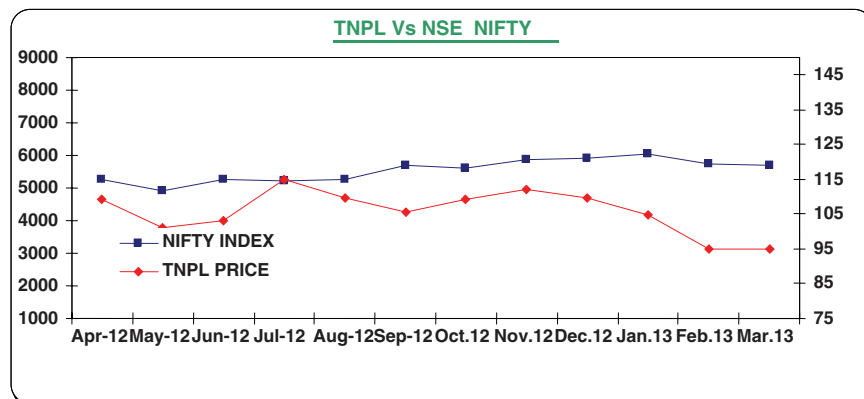
9. Share price performance in comparison to broad based indices – BSE Sensex and NSE Nifty :

For the years April 2011 to March 2013 :

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
2011-2012	(-)26.78 %	(-)10.50 %	(-)16.28 %	(-)26.91 %	(-)9.23 %	(-)17.68 %
2012-2013	(-) 0.83 %	(+) 8.23 %	(-) 9.6 %	(-) 0.99 %	(+) 7.31 %	(-) 8.30 %
2011-2013	(-)26.38 %	(-) 3.01 %	(-) 23.37 %	(-) 26.91%	(-) 2.46 %	(-)24.45%



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



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

10. Registrar and Transfer Agent : Securities Exchange Board of India (SEBI) has mandated, vide Circular No. D&CC/FITTC/CIR-15/2002 dated December 27, 2002 that all Share Registry work relating to both physical shares and shares held in electronic mode must be maintained at a single point, either in-house or by a SEBI registered Registrar and Transfer Agent.
- The Company has already enlisted the services of M/s Cameo Corporate Services Ltd., Chennai to act as Registrar and Transfer Agents to handle all investor services relating to shares held in physical form as well as in electronic mode. Their address is given below :
- M/s Cameo Corporate Services Ltd.
V Floor, "Subramanian Building"
No.1 Club House Road
Chennai – 600 002
Tel.No.044-28460390 - 28460395
Fax No.044-28460129
E-mail ID : cameo@cameoindia.com
11. Share Transfer System
- i) Share Transfers : The shares of the Company, being in the compulsory demat list, are transferable through the depository system. Shares in physical form are processed and the share certificates are generally returned within a period of 15 days from the date of receipt.
- All transfers/transmissions/remat received are processed and approved by the Share Transfer Committee which normally meets thrice in a month. Shares under objection are returned within two weeks.
- ii) Nomination facility for shareholding : As per the provisions of the amended Companies Act 1956, facility for making nomination is available for shareholders in respect of shares held by them. Nomination forms can be obtained from the share transfer agent.
- iii) Payment of dividend through National Electronic Clearing Service (NECS) : As per RBI notification, with effect from 1st October 2009, the remittance of dividend through Electronic Clearing Service (ECS) is replaced by National Electronic Clearing Service (NECS).
- Shareholders were requested by the company vide Circular dated 5th March, 2010, to intimate their folio No(s), Name and Branch of the Bank in which they wish to receive the dividend, the Bank Account type, Bank Account Number allotted by their banks after implementation of Core Banking Solutions (CBS) and the 9 digit MICR code Number.
- Shareholders who have already intimated the above information to the Depository Participants (DPs)/Registrars of the company ("Registrars") pursuant to the above circular need not take any further action in this regard.

Shareholders who have not intimated the DPs/Registrars are once again requested to intimate the above information in respect of shares held in electronic form to the DPs and in respect of shares held in physical form, to the Registrars at their address.

Those shareholders who do not wish to avail of the NECS facility, are requested to furnish to the DPs/Registrars, the name and branch of the bank and bank account No. allotted by their banks after implementation of Core Banking Solutions, which will be printed on the warrants.

- iv) Unclaimed dividends : The company is required to transfer dividends which have remained unpaid/unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Government. The Company will accordingly be required to transfer in the year 2013 the dividend for the year ended March 31, 2006 which have remained unclaimed/unpaid.

v) Details of dividend pending to the Unpaid/Unclaimed Dividend Account as on March 31, 2013:

a. For the year 2005-2006 (Final)	: Rs. 3,78,255.00
b. For the year 2006-2007 (Interim)	: Rs. 4,09,015.50
c. For the year 2006-2007 (Final)	: Rs. 6,71,980.00
d. For the year 2007-2008 (Interim)	: Rs. 4,93,422.00
e. For the year 2007-2008 (Final)	: Rs. 6,18,019.99
f. For the year 2008-2009 (Final)	: Rs. 8,69,823.00
g. For the year 2009-2010 (Final)	: Rs. 12,73,185.00
h. For the year 2010-2011 (Final)	: Rs. 13,17,250.00
i. For the year 2011-2012 (Final)	: Rs. 14,38,160.00

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

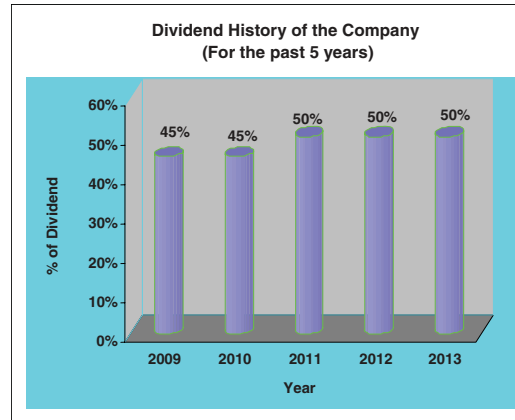
Particulars	Date of Warrant	Due Date for Transfer	Date of Transfer	Amount transferred Rs.
1. Dividend :-				
2004-05 (Final)	23-08-2005	27.10.2012	15.10.2012	5,74,384
2005-06 (Interim)	03-11-2005	22.12.2012	17.12.2012	5,44,239
2. Fixed Deposit :				1,84,257
Total				13,02,880

- vi) Correspondence regarding Change of Address etc. : Shareholders are requested to ensure that any correspondence for change of address, change in Bank Mandates etc. should be signed by the first named shareholder. Shareholders who hold shares in dematerialized form should correspond with the Depository participant with whom they have opened Demat Account/s.

- vii) Pending Investors' Grievances : Any Shareholder whose grievance has not been resolved to his/her satisfaction may kindly write to the Sr.Manager (Secretarial) at the Registered Office with a copy of the earlier correspondence.

12. Dividend History (Last 5 Years)

Financial Year	Dividend %	Total Dividend (Rs. in Lakhs)
2008-09	45%	3114.48
2009-10	45%	3114.48
2010-11	50%	3460.53
2011-12	50%	3460.53
2012-13	50%	3460.53



13. Distribution of Shareholding as on 31st March, 2013.

DISTRIBUTION SCHEDULE AS ON 31ST MARCH, 2013

Category (Amount)	No. of Cases	% of Cases	Total Shares	Amount (Rs.)	% of Amount
1 - 5000	24054	88.76	2736213	27362130	3.95
5001 - 10000	1541	5.69	1266615	12666150	1.83
10001 - 20000	703	2.59	1087374	10873740	1.57
20001 - 30000	223	0.82	579814	5798140	0.84
30001 - 40000	100	0.37	357351	3573510	0.52
40001 - 50000	98	0.36	467673	4676730	0.67
50001 - 100000	179	0.66	1362003	13620030	1.97
100001 - And Above	202	0.75	61353557	613535570	88.65
Total :	27100	100.00	69210600	692106000	100.00

DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2013

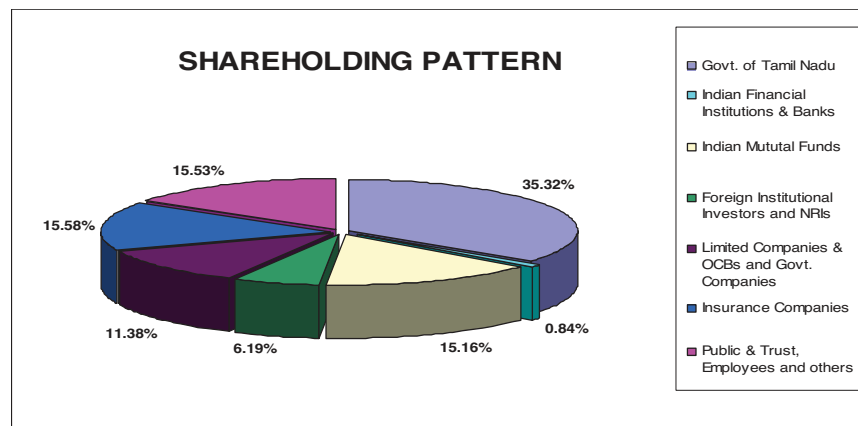
	CATEGORY	NO OF HOLDERS	NO OF SHARES	Percentage
A	PROMOTERS' HOLDING			
1	Promoters			
	- Indian Promoters	1	24444900	35.32
	- Foreign Promoters		Nil	Nil
2	Persons acting in Concert		---	---
	SUB-TOTAL	1	24444900	35.32
B.	NON-PROMOTERS' HOLDING			
1	Indian Financial Institutions	2	496568	0.72
2	Mutual Funds and UTI	34	10494421	15.16
3	Banks, Insurance Companies, (Central/State Govt.Institutions)	21	13676114	19.76
4	Foreign Institutional Investors	16	3756190	5.43
	SUB-TOTAL	73	28423293	41.07
C	OTHERS			
1	Private Corporate Bodies	583	5063953	7.32
2	Indian Public	25832	10741574	15.52
3	NRIs/OCBs	573	525625	0.76
4	Others	38	11255	0.02
	SUB-TOTAL	27026	16342407	23.61
	GRAND TOTAL	27100	69210600	100.00

LIST OF TOP TEN SHAREHOLDERS AS ON 31.03.2013

SL. NO.	Name of the shareholder(s)	No. of shares	% to Equity
1.	Governor Of Tamilnadu.	24444900	35.32
2.	Life Insurance Corporation Of India	6891158	9.96
3.	HDFC Trustee Company Limited - HDFC Prudence Fund	3981634	5.75
4.	Warburg Value Fund	2742950	3.96
5.	HDFC Trustee Company Ltd - HDFC MF Monthly Income Plan Long Term Plan	2238648	3.23
6.	General Insurance Corporation Of India	2110074	3.05
7.	Reliance Capital Trustee Company Limited A/C Reliance Growth Fund	1714171	2.48
8.	Bajaj Allianz Life Insurance Co. Ltd.	1339355	1.94
9.	ICICI Prudential Discovery Fund	1000000	1.44
10.	Finquest Securities Pvt. Limited	715161	1.03

SHAREHOLDING PATTERN

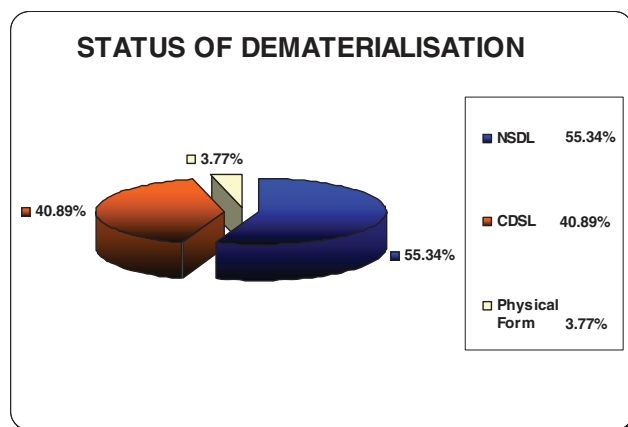
Category	Shareholding Pattern As on 31.3.2013			Shareholding Pattern As on 31.3.2012		
	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%
Governor of Tamilnadu	1	24444900	35.32	1	24444900	35.32
Foreign Institutional Investors	16	3756190	5.43	13	2502613	3.62
Indian Mutual Fund	34	10494421	15.16	33	12800990	18.50
Banks	4	82110	0.12	2	81860	0.12
Indian Financial Institutions	2	496568	0.72	4	793739	1.15
Insurance Companies	6	10785424	15.58	7	10817364	15.63
Non-Resident Companies (OCB)	0	0	0.00	1	15000	0.02
Govt. Companies	11	2808580	4.06	10	2808580	4.06
Employees	169	31200	0.05	173	31900	0.05
Limited Companies	583	5063953	7.32	609	4539777	6.56
NRIs	573	525625	0.76	588	494534	0.71
Public & Trust	25667	10713449	15.48	26730	9851849	14.23
Shares in transit	34	8180	0.00	26	27494	0.04
TOTAL	27100	69210600	100.00	28197	69210600	100.00



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

Details of Demat shares as at 31st March 2013:

Category	No. of Shareholders	No. of Shares	% to Capital
PHYSICAL	3895	2609069	3.77
NSDL	17253	38299637	55.34
CDSL	5952	28301894	40.89
TOTAL	27100	69210600	100.00



As on 31st March 2013, 23205 shareholders are holding shares in demat form. 66601531 (96.23%) shares have been dematerialized, representing 55.34% in NSDL and 40.89% in CDSL of the total Equity Share capital. 2609069 shares are in Physical form representing 3.77%.

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

16. Credit Rating:

ICRA has assigned the following credit rating for the Company for 2012-13 as below:

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

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

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

18. Address for correspondence :

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

Contact Person : Thiru D Narasimhan
Asst. Manager

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

11. REQUEST TO INVESTORS

- Investors are requested to communicate change of address, if any, directly to the share transfer agent of the company at the above address
 - To avoid the incidence of fraudulent encashment of dividend warrants, members are requested to intimate the company under the signature of the Sole/First Joint holder, the following information so that the bank account number and name and address of the bank can be printed on the dividend warrants:
 - i) Name of Sole/First Joint holder and Folio number
 - ii) Particulars of bank account viz.
 - Name of bank
 - Name of branch
 - Complete address of bank with PINCODE
 - Account type, whether Savings Bank(SB) or Current Account(CA)
 - Bank account number
 - The shareholders are requested to dematerialize their physical share certificates, through a depository participant. Shareholders requiring any further clarification/ assistance on the subject may contact the company's share transfer agent
 - The mandate, if given by the Members in respect of shares held in physical form will not be applicable to the dividend payable on shares held by them in demat mode and vice versa. Members holding shares in demat mode must, therefore give instructions regarding the bank account in which they wish to receive dividend to their DPs.
 - Members holding shares in demat form are requested to incorporate the DP Id number and Client Id Number in the Attendance Slip/ Proxy form for easy identification of attendance at the meeting.
 - Investors are requested to kindly note that any dividend which remains unencashed for a period of seven years will get transferred to "Investor Education and Protection Fund" in terms of Section 205C of the Companies Act, 1956.
 - Members who have not encashed their dividend warrants in respect of dividends declared for the year ended 31st March 2006 and for any financial year thereafter may contact the company and surrender their warrants for payment. Members are requested to note that the dividend not claimed for a period of seven years from the date they first became due for payment shall be transferred to Investor Education and Protection Fund (IEPF) in terms of Section 205 (C) of the Companies Act, 1956.
- Yearwise details of the amount to be transferred to IEPF are given below:**

Year	Dividend type	Dividend %	Date of declaration	Due for transfer to IEPF
2005-06	Final	15	25.08.2006	30.10.2013
2006-07	Interim	15	12.10.2006	17.12.2013
2006-07	Final	25	31.08.2007	5.11.2014
2007-08	Interim	20	27.10.2007	2.01.2015
2007-08	Final	25	29.08.2008	3.11.2015
2008-09	Final	45	09.09.2009	14.11.2016
2009-10	Final	45	08.09.2010	13.11.2017
2010-11	Final	50	15.09.2011	20.11.2018
2011-12	Final	50	21.09.2012	26.11.2019

B. NON-MANDATORY REQUIREMENTS**1. The Board**

- a. Whether Chairman of the Board is entitled to maintain a Chairman's Office at the Company's expenses and also allowed reimbursement of expenses incurred in performance of his duties
The CMD is an executive Director in the company.
- b. Independent directors may have a time not exceeding in the aggregate a period of nine years on the Board of the Company
Presently the company has not adopted the above non-mandatory requirement.

2. Remuneration Committee

The Company has not formed a Remuneration Committee. It is not mandatory and not required by the company

3. Shareholders' Rights

- a. 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.co.in
- b. The half-yearly results of the company are published in more than one English newspaper having a wide circulation and in one Tamil Newspaper. (vide para 8(d) of this Report). The results are not sent to the shareholders individually.

4. Training of Board Members

Presently the company does not have a training programme for Board Members. They are all competent and well qualified.

5. Mechanism for evaluating non-executive Board Members

The company does not have any mechanism for evaluating the performance of Non-executive Board Members

6. Whistle Blower Policy

The company does not have a Whistle Blower Policy. This is not mandatory.

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: 27.5.2013

N S PALANIAPPAN IAS
CHAIRMAN & MANAGING DIRECTOR

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

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

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2013 and that to the best of our knowledge and belief:
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - b. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's Code of Conduct
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps have been taken to rectify these deficiencies
4. We have indicated to the Auditors and the Audit Committee:
 - a. significant changes in internal control over financial reporting during the year
 - b. significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements and
 - c. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting

For **TAMIL NADU NEWSPRINT AND PAPERS LIMITED**

Place: Chennai
Date : 27.05.2013

N S PALANIAPPAN IAS
CHAIRMAN & MANAGING DIRECTOR

A VELLIANGIRI
DY.MANAGING DIRECTOR

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the period ended 31st March 2013.

For **TAMIL NADU NEWSPRINT AND PAPERS LIMITED**

Place: Chennai
Date : 27.05.2013

N S PALANIAPPAN IAS
CHAIRMAN & MANAGING DIRECTOR

CORPORATE GOVERNANCE REPORT

To
The Members,

M/s. Tamil Nadu Newsprint and Papers Limited

1. We have examined the compliance of conditions of Corporate Governance by **M/s. Tamil Nadu Newsprint and Papers Limited**, for the year ended **31st March 2013** as stipulated in clause 49 of the Listing Agreement of the said Company with the Stock Exchange(s).
2. The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
3. **As per Clause 49 of the Listing Agreement, where the Chairman of the Board is an Executive Director, at least half of the Board should comprise of independent directors. However, this clause has not been complied with during the period 14th December 2012 to 31st March 2013.**
4. Subject to our comments in Para (3) above, in our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.
5. As required by the Guidance Note issued by the Institute of Chartered Accountants of India, we state that as per the records maintained and certified by the Registrars of the Company, there were no investors grievances remaining unattended/pending for more than 30 days as at 31st March 2013.
6. We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company

For P.B. Vijayaraghavan & Co.
Chartered Accountants
Firm Registration No. 004721S

P.B. Srinivasan
Partner
Membership No. 203774

Place – Chennai

Date – 27th May 2013

**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 Tamil Nadu Newsprint and Papers Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control 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. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 control relevant to the Company's preparation and fair presentation of the financial statements 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 management, 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.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) in the case of the Profit and Loss Account, of the profit for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - a. we have 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956;

- e. on the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.
- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For P.B. Vijayaraghavan & Co.
Chartered Accountants
Firm Registration No. 004721S

P.B. Srinivasan
Partner
Membership No. 203774

Place – Chennai
Date – 27th May 2013

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT
Re: TAMIL NADU NEWSPRINT AND PAPERS LIMITED.

REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE,

- i) (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- (b) Fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- (c) No substantial part of fixed assets has been disposed off during the year.
- ii) (a) Physical verification of inventory has been conducted at reasonable intervals by the management;
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- iii) (a) The company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- (b) The company has not taken any loans, secured or unsecured from companies, firms, or other parties covered in the register maintained under section 301 of the Companies Act, 1956.
- iv) In our opinion and according to the information and explanations given to us, there are adequate internal control systems commensurate with the size of the company and the nature of its business, for the purchase of inventory, fixed assets and for sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal control system.
- v) As per the information and explanation given to us, there are no contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that needs to be entered into the register maintained under the section.
- vi) The company has not accepted any deposits from public during the year. Hence the provisions of section 58A, 58AA or other relevant provisions of the Companies Act, 1956 are not applicable.
- vii) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.
- viii) The Central Government has prescribed the maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and we are of the opinion that prima facie, the books of accounts prescribed under the Cost Accounting Records (Paper) Rules, 1975, have been maintained by the company and the proforma specified therein for the year are under preparation. We have however not carried out a detailed verification of such records.
- ix) (a) The company has generally been regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Customs Duty, Excise Duty, cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable were in arrears, for a period more than six months from the date they become payable. The Employees' State Insurance Act does not apply to the company.

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

Name of the Statute	Nature of Dues	Period to which the amount pertains	Amount (Rs.Lakhs)	Forum where the dispute is pending
Central Excise Act, 1944	Excise Duty Exemption	1997-1998 and 1998-99	4.25	Tribunal Chennai
Cenvat Credit Rules, 2004	Input Credit Reversal	1997-1998 1998-1999 1999-2000 2000-2001 2001-2002	4.82 2.59 1.00 45.11 0.55	Hon'ble High Court of Madras
Cenvat Credit Rules, 2004	Capital Goods Credit	2003-2004 2004-2005 2005-2006 2006-2007	46.61 251.85 689.87 252.44	Tribunal Chennai
Cenvat Credit Rules, 2004	Input Service Credit	2006-2007 2007-2008	15.45 17.65	Commissioner Appeals
Cenvat Credit Rules, 2004	Capital Goods Credit	2006-07 2007-08	6179.96 3218.09	Tribunal Chennai
Cenvat Credit Rules, 2004	Input credit reversal on effluence sludge waste	2006-07 2007-08 2008-09 2009-10	21.92 30.77 1998.35 2742.46	Tribunal Chennai
Cenvat Credit Rules, 2004	Input Service Credit	2007-08 2008-09	240.15 620.50	Tribunal Chennai
Cenvat Credit Rules, 2004	Input Service Credit	2008-09	8.58	High Court
Cenvat Credit Rules, 2004	Capital Goods Credit	2008-09 2009-10	13.91 12.92	Tribunal Chennai
Cenvat Credit Rules, 2004	Capital Goods Credit	2008-09	95.67	Commissioner Appeals
Cenvat Credit Rules, 2004	Capital Goods Credit	2009-10	331.99	Tribunal Chennai
Cenvat Credit Rules, 2004	Capital goods credit	2009-10 2010-11	9338.90 2031.35	Tribunal Chennai
Cenvat Credit Rules, 2004	Capital goods credit	2010-11	3.39	Tribunal Chennai
Cenvat Credit Rules, 2004	Capital goods credit	2010-11	4.05	Hon'ble High Court of Madras

Name of the Statute	Nature of Dues	Period to which the amount pertains	Amount (Rs.Lakhs)	Forum where the dispute is pending
Cenvat Credit Rules, 2004	Capital goods credit	2010-11	4.55	Commissioner Appeals
Cenvat Credit Rules, 2004	Input credit reversal on effluence sludge waste	2010-11	739.81	Tribunal Chennai
Cenvat Credit Rules, 2004	Capital goods credit	2010-11	747.54	Tribunal Chennai
Customs Act, 1962	Customs Duty	1991-92	44.34	Commissioner
Customs Act, 1962	Customs Duty	1997-98	54.81	Commissioner
Customs Act, 1962	Customs Duty	1999-00	126.74	Commissioner
Income Tax Act, 1961	Income Tax	AY 2002-03	60.69	Assessing Officer
Income Tax Act, 1961	Income Tax	AY 1996-97 to 2000-01 & 2003-04	244.47	Assessing Officer
Income Tax Act, 1961	Income Tax	AY 1996-97 to 2000-01 & 2003-04	283.58	Commissioner Appeals
Income Tax Act, 1961	Income Tax	AY 2003-04	96.43	High Court Chennai
Income Tax Act, 1961	Income Tax	AY 2004-05	65.16	CIT (A) / Tribunal
Income Tax Act, 1961	Income Tax	AY 2005-06	137.96	Assessing Officer
Income Tax Act, 1961	Income Tax	AY 2006-07	41.18	Commissioner (Appeals)
Income Tax Act, 1961	Income Tax	AY 2007-08	138.53	Commissioner (Appeals)
Income Tax Act, 1961	Income Tax	AY 2008-09	65.54	Commissioner (Appeals)
Income Tax Act, 1961	Income Tax	AY 2009-10	1680.20	Commissioner (Appeals)
Income Tax Act, 1961	Income Tax	AY 2010-11	2057.31	Commissioner (Appeals)
Wealth Tax Act, 1957	Wealth Tax	AY 1997-98 to 1999-2000 & 2001-02 to 2003-04	19.46	Assessing Officer
		Total	34832.80	

- x) The Company does not have accumulated losses as at the end of the financial year and has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- xi) In our opinion and according to the information and explanation given to us, the Company has not defaulted in repayment of dues to any financial institution, bank or debenture holders.
- xii) The Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities. Hence the question of maintenance of documents and records does not arise.
- xiii) The Company is not a chit fund or a nidhi / mutual benefit fund / society. Hence this clause is not applicable to the company.
- xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Hence this clause is not applicable to the company.

- xv) The company has not given any guarantee for loans taken by others from banks or financial institutions based on the records produced to us.
- xvi) **According to the information and explanations given to us, the company has not utilized the term loan to the extent of Rs. 30.91 Crores for the purpose for which it has been obtained.**
- xvii) According to the information and explanations given to us and on an overall examination of the Balance Sheet of the company, we report that no funds raised on short-term basis have been used for long-term investment.
- xviii) According to the information and explanations given to us, during the year the Company has not made preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Act.
- xix) As per the information and explanation given to us, the company has not issued any debentures during the year. However, in respect of debentures outstanding at the end of the year, necessary security or charge has been created.
- xx) The company has not raised any money through public issue. Hence the provisions of clause 4(xx) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
- xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the course of our audit.

For **P.B. Vijayaraghavan & Co.**
Chartered Accountants
Firm Registration No. 004721S

P.B. Srinivasan
Partner
Membership No. 203774

Place – Chennai
Date – 27th May 2013

COMMENTS OF THE COMPTROLLER AND AUDITOR GENERAL OF INDIA UNDER SECTION 619(4) OF THE COMPANIES ACT, 1956 ON THE ACCOUNTS OF TAMIL NADU NEWSPRINT AND PAPERS LIMITED FOR THE PERIOD ENDED 31ST MARCH 2013.

The preparation of financial statements of Tamil Nadu Newsprint and Papers Limited for the year ended 31 March 2013 in accordance with the financial reporting framework prescribed under the Companies Act, 1956 is the responsibility of the management of the Company. The Statutory Auditors appointed by the Comptroller and Auditor General of India under Section 619(2) of the Companies Act, 1956 are responsible for expressing opinion on these financial statements under section 227 of the Companies Act, 1956 based on Independent audit in accordance with the auditing and assurance standards prescribed by their professional body, the Institute of Chartered Accountants of India. This is stated to have been done by them vide their Audit Report dated 27-05-2013.

I, on the behalf of the Comptroller and Auditor General of India have conducted a supplementary audit under section 619(3)(b) of the Companies Act, 1956 of the financial statements of Tamil Nadu Newsprint and Papers Limited for the year ended 31 March 2013. This supplementary audit has been carried out independently without access to the working papers of the statutory auditors and is limited primarily to inquires 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 under section 619(4) of the Companies Act, 1956.

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

SUBHASHINI SRINIVASAN
Principal Accountant General

Place : Chennai
Date: 18.07.2013

BALANCE SHEET AS AT 31ST MARCH 2013

(Rs.in Lakh)

Particulars	Note No.	As at 31/03/2013		As at 31/03/2012	
I. EQUITY AND LIABILITIES					
1 Shareholders' Funds					
(a) Share Capital	1	6937.78		6937.78	
(b) Reserves and Surplus	2	<u>96609.87</u>		<u>90130.85</u>	
			103547.65		97068.63
2 Non-Current Liabilities					
(a) Long Term Borrowings	3	65728.61		87382.98	
(b) Deferred tax Liabilities (Net)	4	29046.00		26976.00	
(c) Long term Provisions	5	<u>8396.97</u>		<u>7434.05</u>	
			103171.58		121793.03
3 Current Liabilities					
(a) Short Term Borrowings	6	49585.64		56041.22	
(b) Trade payables	7	40628.85		31718.80	
(c) Other Current liabilities	8	45479.70		43441.29	
(d) Short term Provisions	9	<u>5688.52</u>		5426.81	
			141382.71		136628.12
			348101.94		<u>355489.78</u>
II. ASSETS					
1) Non-Current Assets					
a) Fixed Assets					
i) Tangible assets	10	207314.29		217786.41	
ii) Intangible assets		1072.30		6.70	
iii) Capital work-in-progress		45686.46		30464.13	
iv) Intangible Assets under Development		<u>28.29</u>		<u>420.85</u>	
		254101.34		248678.09	
b) Non-Current Investment	11	114.05		114.05	
c) Captive Plantation	12	2120.55		1794.83	
d) Long-Term loans and advances	13	<u>9025.32</u>		<u>11015.20</u>	
			265361.26		261602.17
2) Current Assets					
a) Inventories	14	26442.47		33682.16	
b) Trade Receivables	15	27694.17		36390.35	
c) Cash and cash equivalents	16	2450.54		1973.52	
d) Short term Loans and Advances	17	23978.79		20074.36	
e) Other Current Assets	18	<u>2174.71</u>		<u>1767.22</u>	
			82740.68		93887.61
			348101.94		<u>355489.78</u>

Notes 1 to 18, 28 & 29 form an integral part of this Balance Sheet.

N S PALANIAPPAN, IAS
Chairman & Managing Director

A. VELLIANGIRI
Dy. Managing Director & Secretary

vide our report of even date
For P.B. VIJAYARAGHAVAN & CO
Chartered Accountants
Firm Reg. No.004721S

Place : Chennai
Date : 27th May, 2013

R. MANI
Director (Operations)

P.B SRINIVASAN
Partner
Membership No.203774

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH 2013

(Rs.in Lakh)

Particulars	Note No.	For the Year ended 31/03/2013	For the Year ended 31/03/2012
I REVENUE FROM OPERATIONS			
Revenue	19	193705.24	157484.74
Less: Excise Duty & Cess		7579.49	5192.91
Total Revenue		186125.75	152291.83
II OTHER INCOME	20	1992.32	1607.09
III TOTAL REVENUE (I + II)		<u>188118.07</u>	<u>153898.92</u>
IV EXPENSES			
Cost of Material Consumed	21	53111.88	48443.20
Purchase of Stock-in-Trade	22	9627.94	2107.97
Changes in inventories of finished Goods, Work-in-Progress & Stock-in-Trade	23	2666.93	(8307.95)
Employee Benefit Expenses	24	13903.58	12615.99
Finance Costs	26	12097.13	14126.56
Depreciation/amortization Expenses	10	17498.61	16905.28
Other Expenses	25	66601.37	65485.10
Total Expenses		<u>175507.44</u>	<u>151376.15</u>
V PROFIT BEFORE EXCEPTIONAL AND EXTRA ORDINARY ITEMS AND TAX (III - IV)		12610.63	2522.77
VI Exceptional Items	27	0.00	9988.55
VII PROFIT BEFORE EXTRA-ORDINARY ITEMS AND TAX (V + VI)		12610.63	12511.32
VIII Extra-ordinary Items		0.00	0.00
IX PROFIT BEFORE TAX (VII + VIII)		12610.63	12511.32
X TAX EXPENSES			
- Current Tax		2523.00	2501.00
MAT Credit Entitlement		(1093.00)	(1663.00)
Current Tax net of MAT Credit		1430.00	838.00
- Deferred Tax		2070.00	2015.00
- Tax reversal of earlier years		(37.37)	(1235.52)
		<u>3462.63</u>	<u>1617.48</u>
XI PROFIT / (LOSS) FOR THE PERIOD (IX - X)		9148.00	10893.84
XII BASIC & DILUTED EARNINGS PER SHARE (Face Value Rs.10/- per Share)	Rs	<u>13.22</u>	<u>15.74</u>

Notes 19 to 29 form an integral part of this statement of profit and loss.

N S PALANIAPPAN, IAS
Chairman & Managing Director

A.VELLIANGIRI
Dy.Managing Director & Secretary

vide our report of even date
For P.B. VIJAYARAGHAVAN & CO
Chartered Accountants
Firm Reg. No.004721S

Place : Chennai
Date : 27th May, 2013

R. MANI
Director (Operations)

P.B SRINIVASAN
Partner
Membership No.203774

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2013

(Rs. In Lakh)

Sl. No.	Particulars	2012-2013	2011-2012
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before Tax and Exceptional Items	12610.63	2522.77
	Adjustments for :		
	Depreciation	17498.61	16905.28
	Interest Income	(444.92)	(555.33)
	Dividend Income	(2.19)	(10.18)
	Rental Income	(106.99)	(93.55)
	(Profit)/Loss on write off/ sale of Fixed Assets	0.03	3.68
	Exchange Fluctuations	199.29	(0.50)
	Interest Expenditure	12097.13	14126.56
	Operating Profit before working capital changes	41851.59	32898.73
	Decrease(Increase) in Inventories	6913.97	(12743.01)
	Decrease(Increase) in Sundry Debtors	8689.02	(15805.62)
	Decrease(Increase) in Loans and Advances	(1269.26)	3430.12
	Increase(Decrease) in Current Liabilities	8614.84	15097.12
	Cash from Operations	64800.16	22877.34
	Income Tax paid	(2292.25)	(2289.24)
	Cash from Operating Activities before exceptional items	62507.91	20588.10
	Exceptional Items	0.00	9988.55
	Cash from Operating Activities	62507.91	30576.65
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Proceeds on Sale of Fixed Assets	2.23	2.87
	Additions to Fixed Assets & Capital Work-In-Progress	(19351.17)	(28840.93)
	Interest Income	444.92	555.33
	Dividend Income	2.19	10.18
	Rental Income	106.99	93.55
	Net Cash from Investing Activities	(18794.84)	(28179.00)
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Proceeds from Borrowings	6459.15	41559.27
	Repayment of Borrowings	(31304.17)	(24310.14)
	Interest paid	(14371.48)	(14880.31)
	Dividend paid	(3460.53)	(3460.53)
	Dividend tax paid	(561.38)	(561.38)
	Net Cash from Financing Activities	(43238.41)	(1653.09)
D	TOTAL INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS DURING THE YEAR (A+B+C)	474.66	744.56
	Cash and cash equivalents at the beginning of the year	1901.19	1156.63
	Cash and cash equivalents at the end of the year	2375.85	1901.19

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

N S PALANIAPPAN, IAS
Chairman & Managing Director

A. VELLIANGIRI
Dy. Managing Director & Secretary

vide our report of even date
For P.B. VIJAYARAGHAVAN & CO
Chartered Accountants
Firm Reg. No.004721S

Place : Chennai
Date : 27th May, 2013

R. MANI
Director (Operations)

P.B SRINIVASAN
Partner
Membership No.203774

NOTES TO ACCOUNTS

(Rs.in Lakh)

Note No.	Particulars	As at 31/03/2013	As at 31/03/2012
1	SHARE CAPITAL		
a)	Authorised, Issued, Subscribed and paid-up share capital		
	Authorized:		
	13,50,00,000 Equity Shares of Rs.10/- each	<u>13500.00</u>	<u>13500.00</u>
	Issued:		
	7,00,00,000 Equity Shares of Rs.10/- each	<u>7000.00</u>	<u>7000.00</u>
	Subscribed and Fully Paid up:		
	6,92,10,600 Equity Shares of Rs.10/- each fully paid up	<u>6921.06</u>	<u>6921.06</u>
	Add: Shares Forfeited	<u>16.72</u>	<u>16.72</u>
		<u>6937.78</u>	<u>6937.78</u>

b) Shares held by each Shareholder Holding more than 5%

Sl.No.	Name of the Shareholder	As at 31/03/2013		As at 31/03/2012	
		No. of Shares in lakh	% of holding	No. of Shares in lakh	% of holding
1	Governor of Tamil Nadu	244.45	35.32	244.45	35.32
2	Life Insurance Corporation of India	68.91	9.96	68.91	9.96
3	HDFC Trustee Company Limited - HDFC Prudence Fund	39.82	5.75	39.82	5.75

(Rs.in Lakh)

Note No.	Particulars	As at 31/03/2013	As at 31/03/2012
2	RESERVES AND SURPLUS		
(a)	Capital Reserve		
	Project Investment subsidy	<u>125.00</u>	<u>125.00</u>
(b)	Share Premium	<u>17973.11</u>	<u>17973.11</u>
(c)	Debenture Redemption Reserve		
	Opening Balance	<u>2068.00</u>	<u>1498.00</u>
	Add: Additions during the year	<u>570.00</u>	<u>570.00</u>
		<u>2638.00</u>	<u>2068.00</u>
(d)	General Reserve		
	Opening Balance	<u>68623.03</u>	<u>62323.03</u>
	Add : Addition during the year	<u>4600.00</u>	<u>6300.00</u>
		<u>73223.03</u>	<u>68623.03</u>
(e)	Hedging Reserve Account	<u>628.04</u>	<u>(751.63)</u>
(f)	Surplus - Opening Balance	<u>2093.34</u>	<u>2091.41</u>
	Add: Profit / (Loss) for the period	<u>9148.00</u>	<u>10893.84</u>
	Amount available for appropriation	<u>11241.34</u>	<u>12985.25</u>
	Appropriations:		
	Transfer to General Reserve	<u>4600.00</u>	<u>6300.00</u>
	Debenture Redemption Reserve	<u>570.00</u>	<u>570.00</u>
	Proposed Dividend	<u>3460.53</u>	<u>3460.53</u>
	Tax on Dividend	<u>588.12</u>	<u>561.38</u>
	Surplus - Closing Balance	<u>2022.69</u>	<u>2093.34</u>
	TOTAL (a)+(b)+(c)+(d)+(e)+(f)	<u>96609.87</u>	<u>90130.85</u>

NOTES TO ACCOUNTS

(Rs.in Lakh)

Note No.	Particulars	As at 31/03/2013	As at 31/03/2012
3	LONG TERM BORROWINGS		
	A) Secured Loans		
	1) Debentures		
	a) 11% Non-Convertible Debentures	2777.78	4999.98
	Secured by a first charge on all the fixed assets of the company situated at Kagithapuram, Karur Dist., (movable & immovable) on pari passu basis both present and future except Wind Mill & Bielomatic Cutter which are under specific charge to the respective term lenders including an equitable mortgage by deposit of title deeds in respect of 566.26 acres of land situated at Kagithapuram, Karur District, Tamilnadu		
	b) 8.75% Non-Convertible Debentures	1250.00	2500.00
	Secured by subservient charge on the fixed assets of the Company (excluding the machinery which has been specifically charged to the respective lender) situated at Kagithapuram, Karur Dist		
	Total (1)	4027.78	7499.98
	(2) Term Loans from Banks		
	Mill Expansion Plan		
	- External Commercial Borrowings (ECB)	8727.05	19312.09
	- Other Foreign Currency Loan	8788.99	13734.49
	Secured by a first charge on all the fixed assets of the company situated at Kagithapuram, Karur Dist., (movable & immovable) on pari passu basis both present and future except Wind Mill & Bielomatic Cutter which are under specific charge to the respective term lenders including an equitable mortgage by deposit of title deeds in respect of 566.26 acres of land situated at Kagithapuram, Karur District, Tamilnadu.		
	Mill Expansion Plan		
	- External Commercial Borrowings (ECB)	3250.80	5080.00
	Secured by residual charge over all present and future immovable properties and movable fixed assets except those exclusively charged to the existing lenders and first charge on movable wind mill assets of the company.		
	Mill Expansion Plan		
	- Rupee Term Loans	2954.89	4600.65
	Secured by a first charge on all the fixed assets of the company situated at Kagithapuram, Karur Dist., (movable & immovable) on pari passu basis both present and future except Wind Mill & Bielomatic Cutter which are under specific charge to the respective term lenders including an equitable mortgage by deposit of title deeds in respect of 566.26 acres of land situated at Kagithapuram, Karur District, Tamilnadu and pari passu second charge on the current assets of the company viz., stock of raw materials, finished goods, stores and other movables.		

NOTES TO ACCOUNTS

(Rs.in Lakh)

Note No.	Particulars	As at 31/03/2013	As at 31/03/2012
	Mill Expansion Plan		
	- Rupee Term Loans	2500.00	5000.00
	Secured by subservient charge on the fixed assets of the Company (excluding the machinery which has been specifically charged to the respective lender) situated at Kagithapuram, Karur Dist		
	De-Inking Plant (DIP)		
	- Foreign Currency Loan	3969.42	3721.79
	- Rupee Term Loans	8850.00	11210.00
	Secured by first Pari passu charge on the movable fixed assets of the Deinking Pulp Plant		
	Rupee Term Loans/Buyers Credit		
	- Automatic Storage & Retrieval System(ASRS)	284.68	928.99
	Rupee Term Loans:		
	- Lime Sludge & Fly Ash Management System(LSFM)	6825.00	5795.00
	- Revamping of Steam and Power System (RSPS)	5900.00	8199.99
	Secured by first pari passu charge on fixed assets created out of respective loans		
	Term Loans-General Corporate Loan		
	Rupee Term Loans	5500.00	0.00
	Secured by subservient charge on the fixed assets of the Company (excluding the machinery which has been specifically charged to the respective lender) situated at Kagithapuram, Karur Dist		
	B) Unsecured		
	Term Loans-General Corporate Loan		
	Rupee Term Loans	4150.00	2300.00
	Total (2)	61700.83	79883.00
	Total (1) + (2)	65728.61	87382.98

NOTES TO ACCOUNTS

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

Note No.	Name of Banks and Loans	As at 31/03/2013
	1a) 11% Non-Convertible Debentures Redeemable in 18 quarterly instalments commencing from 31.3.2011 and ends on 30.6.2015	2777.78
	b) 8.75% Non-Convertible Debentures Redeemable in 8 half-yearly instalments commencing from 19.7.2011 and ends on 19.1.2015	1250.00
		<u>4027.78</u>
2	Mill Expansion Plan	
-	External Commercial Borrowings (ECB)	
	DBS Bank - Repayable in 6 half yearly instalments starting from 10.09.2012 to 10.03.2015	5069.90
	DBS Bank - Repayable in 8 half yearly instalments starting from 28.02.2011 to 29.08.2014	1625.40
	HSBC - Repayable in 16 quarterly instalments starting from 11.05.2011 to 11.02.2015	2031.75
		<u>8727.05</u>
-	Other Foreign Currency Loan	
	Exim Bank - Repayable in 17 quarterly instalments starting from 29.09.2011 to 29.12.2015	8788.99
-	External Commercial Borrowings (ECB)	
	DBS Bank - Repayable in 8 half yearly instalments starting from 04.12.2011 to 04.06.2015	3250.80
-	Rupee Term Loans	
	SBT - Repayable in 18 quarterly instalments starting from 30.09.2011 to 31.12.2015	2954.89
	KVB - Repayable in 16 quarterly instalments starting from 30.06.2011 to 31.03.2015	625.00
	Indian Bank - Repayable in 16 quarterly instalments starting from 30.06.2011 to 31.03.2015	625.00
	Canara Bank - Repayable in 16 quarterly instalments starting from 30.06.2011 to 31.03.2015	625.00
	Syndicate Bank - Repayable in 16 quarterly instalments starting from 30.06.2011 to 31.03.2015	625.00
		<u>2500.00</u>
3	De-Inking Plant (DIP)	
-	Foreign Currency Loan	
	Exim Bank - Repayable in 20 quarterly instalments starting from 20.09.2013 to 20.06.2018	3969.42
-	Rupee Term Loans	
	Canara Bank - Repayable in 20 quarterly instalments starting from 31.03.2013 to 31.01.2018	6600.00
	Indian Bank - Repayable in 20 quarterly instalments starting from 31.03.2013 to 31.01.2018	2250.00
		<u>8850.00</u>
4	Rupee Term Loans/Buyers Credit - Automatic Storage & Retrieval System(ASRS)	
	ING Vysya Bank - Repayable in 16 quarterly instalments starting from 31.03.2011 to 31.03.2014	284.68
5	Rupee Term Loans- Lime Sludge & Fly Ash Management System(LSFM)	
	Canara Bank - Repayable in 20 quarterly instalments starting from 31.03.2013 to 31.01.2018	6825.00
6	Rupee Term Loans - Power Plant Revamping(PPR)	
	Indian Bank - Repayable in 20 quarterly instalments starting from 30.06.2012 to 31.03.2017	4500.00
	Axis Bank - Repayable in 20 quarterly instalments starting from 30.06.2012 to 31.03.2017	1400.00
		<u>5900.00</u>
7	Rupee Term Loans-General Corporate Loan	
	Yes Bank - Repayable in 4 half-yearly instalments starting from 30.06.2013 to 31.01.2015	1150.00
	Yes Bank - Repayable in 4 half-yearly instalments starting from 30.04.2014 to 31.10.2015	3000.00
	SBI - Repayable in 47 monthly instalments starting from 30.04.2015 to 28.02.2019	5500.00
		<u>9650.00</u>
	Total	<u>65728.61</u>

NOTES TO ACCOUNTS

(Rs.in Lakh)

Note No	Particulars	As at 31/03/2013	As at 31/03/2012
4	DEFERRED TAX LIABILITIES		
	a) Deferred Tax Liabilities		
	Depreciation	32841.00	30205.00
	Sub Total (a)	32841.00	30205.00
	b) Deferred Tax Assets		
	Employees' Benefits	3076.00	2597.00
	Others	719.00	632.00
	Sub Total (b)	3795.00	3229.00
	Deferred Tax Liabilities	29046.00	26976.00
	Total (a) - (b)		
5	LONG TERM PROVISIONS		
	Employee Benefits	8396.97	7434.05
		8396.97	7434.05
6	SHORT TERM BORROWINGS		
	Loans Repayable on Demand		
	a) Secured		
	Working Capital Loans - Banks		
	Cash Credit	6661.02	9164.00
	Buyer's Credit - Foreign Currency	352.44	2335.67
	Short Term Loan	7500.00	7450.00
	Preshipment credit - Foreign Currency	2383.92	0.00
	Secured by a first charge on current assets of the company, namely raw materials, stock-in-process, semi-finished goods, finished goods, consumable stores & spares and receivables and a second charge by way of extension of equitable mortgage on immovable properties of the company in Kagithapuram, Karur District, Tamil nadu and second charge on the other fixed assets of the Company excluding Wind Mills, Vehicles and Computer Software and assets created/proposed to be created out of the ASRS, LSFM, RSPS and DIP projects.		
	Sub-Total (a)	16897.38	18949.67
	b) Unsecured		
	Short Term Loans from Banks		
	Pre-Shipment Credit - Foreign Currency	7151.76	10007.60
	Buyer's Credit - Foreign Currency	7386.50	5083.95
	Rupee Loan	18150.00	22000.00
	Sub-Total (b)	32688.26	37091.55
	Total (a) +(b)	49585.64	56041.22

NOTES TO ACCOUNTS

(Rs.in Lakh)

Note No.	Particulars	As at 31/03/2013	As at 31/03/2012
7	TRADE PAYABLES		
	Acceptances	7772.61	3100.88
	Sundry Creditors		
	a) Micro and Small Enterprises	471.66	402.56
	b) Others	32384.58	28215.36
		<u>40628.85</u>	<u>31718.80</u>
	Note:		
	Based on confirmation received from suppliers regarding status under Micro, Small and Medium enterprises Development Act, 2006		
	a) Amount due and outstanding to suppliers at the end of accounting year	471.66	402.56
	b) Interest paid during the year	Nil	Nil
	c) Interest payable at the end of accounting year	Nil	Nil
	d) Interest accrued and unpaid at the end of accounting year	Nil	Nil
8	OTHER CURRENT LIABILITIES		
	Current maturities of Long Term Debt	34707.02	29954.70
	Interest accrued but not due	653.76	663.55
	Security Deposits from customers/contractors	3391.85	3254.13
	Unclaimed Dividend	74.69	72.33
	Matured Deposits - Unclaimed	1.64	4.63
	(Due to Investor Education and Protection Fund at the end of the Year Rs. Nil (Previous Year Rs. Nil))		
	Amount Payable to Banks	321.39	625.84
	Tax Payables	670.39	888.95
	Tax Deducted at Source (TDS)	254.21	211.05
	Payroll Liabilities	1418.22	2845.73
	Other payables	3986.53	4920.38
		<u>45479.70</u>	<u>43441.29</u>
9	SHORT TERM PROVISIONS		
	Current Tax	918.32	687.25
	Fringe Benefit Tax	0.00	77.91
	Proposed Dividend	3460.53	3460.53
	Tax on Dividend	588.12	561.38
	Employee Benefits	721.55	639.74
		<u>5688.52</u>	<u>5426.81</u>

NOTES TO ACCOUNTS

Note No 10

(Rs in Lakh)

DESCRIPTION	GROSS BLOCK		DEPRECIATION /AMORTISATION			NET BLOCK		
	As at 01/04/2012	Additions/(Deletions)	As at 31/03/13	Upto 31/03/12	For the period Additions/(Deletions)	Upto 31/03/13	As at 31/03/13	As at 31/03/12
A. TANGIBLE ASSETS								
LAND	780.74	0.00	780.74	0.00	0.00	0.00	780.74	780.74
BUILDINGS	26444.46	0.00	26860.76	6083.18	810.96	6894.14	19966.62	20361.28
RAILWAY SIDINGS	201.32	0.00	201.32	201.32	0.00	201.32	0.00	0.00
PLANT & MACHINERY	322308.50	6221.62	328530.12	126492.81	16263.77	142756.58	185773.54	195815.69
FURNITURE, FIXTURES & OTHER EQUIPMENTS	1426.65	33.01	1458.92	718.82	71.88	790.50	668.42	707.83
VEHICLES	286.37	(0.74)	297.98	165.50	17.73	173.01	124.97	120.87
		(11.94)			(10.22)			
Sub-Total (A)	351448.04	6694.48	358129.84	133661.63	17164.34	150815.55	207314.29	217786.41
		(12.68)			(10.42)			
B. INTANGIBLE ASSETS								
COMPUTER SOFTWARE	240.44	1399.87	1640.31	233.74	334.27	568.01	1072.30	6.70
		0.00			0.00			
TOTAL	351688.48	8094.35	359770.15	133895.37	17498.61	151383.56	208386.59	217793.11
		(12.68)			(10.42)			
CAPITAL WORK-IN-PROGRESS - TANGIBLE							45686.46	30464.13
CAPITAL WORK-IN-PROGRESS - INTANGIBLE							28.29	420.85
							254101.34	248678.09

Note:

- a) The Government of Tamil Nadu allotted land to TNPL for construction of Corporate Office building for Rs.44.37 lakh. The transfer of title of the said land in favour of the company is yet to be done pending completion of necessary formalities.
- b) The Company availed of lease finance for 4 Nos of 750KW capacity each Wind Electric Generators in 2001 with lease rentals payable upto 31.03.2007. The Company has not opted for a secondary lease and hence no provision is made for secondary lease rent in the books. The formal transfer of assets by the lessor to TNPL is pending completion of certain formalities.
- c) The company has entered into an agreement with the M/s. Sakthi Sugars Limited (SSL), Appakudal for procurement of bagasse on a fuel substitution. As per the terms of the agreement, TNPL would bear initially entire capital cost. The sugar mill has to reimburse the 50% of the capital cost and pay the same in 35 quarterly instalments bearing interest @ 9%. On completion of the payment, TNPL and the sugar mill will have joint ownership and equal rights on the assets installed at Appakudal.
- d) Additions to assets includes a sum of Rs.2227.93 lakhs towards adjustment of effects of changes in Foreign Exchange rates relating to Foreign Currency Long-term loans availed of for acquisition of depreciable fixed assets.

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

Sl. No	Particulars	As at 31/03/2013	As at 31/03/2012
	Tangible Assets		
A)	Regular Projects	20772.82	12888.63
B)	Mill Expansion Plan (MEP)		
	Opening Balance (a)	1788.09	3608.31
	Additions:		
	Buildings	0.00	78.37
	Plant and Machinery	19.98	1113.72
	Finance Costs	0.00	21.50
	Sub-Total (b)	19.98	1213.59
	Less: Transferred to Fixed Assets on capitalisation		
	Buildings	0.00	345.44
	Plant and Machinery	1786.90	2594.78
	Transfer to Regular Projects	21.17	93.59
	Sub-Total (c)	1808.07	3033.81
	Closing Balance (a)+(b)-(c)	0.00	1788.09
C)	Lime Sludge Fly Ash Management (LSFM)		
	Opening Balance (a)	8842.50	1781.87
	Additions:		
	Buildings	1767.74	1834.91
	Plant and Machinery	1022.19	4771.98
	Finance Costs	987.03	324.43
	Pre-Operative Expenses	972.85	129.31
	Sub-Total (b)	4749.81	7060.63
	Closing Balance (a)+(b)	13592.31	8842.50
D)	Revamping of Steam and Power System (RSPS)		
	Opening Balance (a)	6944.91	1334.81
	Additions:		
	Buildings	189.42	1187.99
	Plant and Machinery	2879.38	4216.90
	Finance Costs	1149.23	171.44
	Pre-Operative Expenses	158.39	33.77
	Sub-Total (b)	4376.42	5610.10
	Closing Balance (a)+(b)	11321.33	6944.91
	Grand Total (A + B + C + D)	45686.46	30464.13
	Intangible Assets		
	Opening Balance	420.85	133.34
	Additions:	162.85	287.51
	Less Transferred to Fixed Assets on capitalisation	555.41	0.00
	Closing Balance	28.29	420.85

NOTES TO ACCOUNTS

Note No	Particulars	(Rs.in Lakh)	
		As at 31/03/2013	As at 31/03/2012
11	NON-CURRENT INVESTMENTS		
	Other Investments		
	Investment in Equity Investments		
	Non-Trade - Quoted at cost :		
	IDBI Bank Limited		
	(142720 equity shares of Rs.10 each, fully paid)	114.05	114.05
	(Pledged with IL&FS Securities Services Ltd as margin money for taking hedging positions in Currency Futures)		
		<u>114.05</u>	<u>114.05</u>
	Note:		
	Quoted Investment		
	Aggregate Amount	114.05	114.05
	Market Value	114.53	149.43
12	CAPTIVE PLANTATIONS		
	Standing crops	<u>2120.55</u>	<u>1794.83</u>
		<u>2120.55</u>	<u>1794.83</u>
	The break-up of Expenditure on Captive plantation is as under		
	Own Lands	87.16	90.51
	Leased Lands	992.92	753.73
	Revenue sharing Lands	1040.47	950.59
	Total	<u>2120.55</u>	<u>1794.83</u>
13	LONG-TERM LOANS AND ADVANCES		
	a) Capital Advances		
	Unsecured, considered good	740.32	2465.20
	b) Other Loans and Advances		
	Advance to Sugar Mills		
	Secured, considered good	8285.00	8550.00
		<u>9025.32</u>	<u>11015.20</u>
14	INVENTORIES		
	a) Raw materials		
	In Stock	11449.14	17965.42
	In Transit	49.08	126.30
	b) Work in process	4457.88	5117.38
	c) Stock of Finished Goods	1717.99	2333.36
	d) Stock of Traded goods	122.14	273.27
	e) Stores, Consumables and spare parts		
	In Stock	8586.50	7244.42
	In Transit	49.61	608.44
	f) Stock of Seedlings	10.13	13.57
		<u>26442.47</u>	<u>33682.16</u>

NOTES TO ACCOUNTS

(Rs.in Lakh)

Note No	Particulars	As at 31/03/2013	As at 31/03/2012
15	TRADE RECEIVABLES		
	a) Trade receivables outstanding for more than six months from the due date for payment Unsecured, considered good	2366.40	2401.31
	Sub-Total (a)	2366.40	2401.31
	b) Trade receivables (others) Unsecured, considered good	25327.77	33989.04
	Sub-Total (b)	25327.77	33989.04
	Total (a) + (b)	27694.17	36390.35
16	CASH AND CASH EQUIVALENTS		
	a) Balance with Banks		
	Unpaid Dividend accounts	74.69	72.33
	Current accounts	2358.19	1890.19
	Savings account	1.92	6.40
	Deposit accounts	1.16	1.16
	b) Cheques, drafts on hand	11.57	0.58
	c) Cash on hand	3.01	2.86
		2450.54	1973.52
17	SHORT TERM LOANS AND ADVANCES		
	Unsecured - Considered good:		
	Advances recoverable in cash or in kind or for value to be received	6878.19	3230.65
	Advances & Deposits with Government and public bodies	2833.70	5015.03
	Balance with:		
	- Port Trust/Airport Authority	0.37	0.37
	- Central Excise / TN VAT	7140.03	6307.97
	Prepaid Expenses	327.17	335.14
	Receivables - Forward Contracts (Net Gain)	561.35	0.00
	MAT Credit Entitlement	6237.98	5185.20
		23978.79	20074.36
	Unsecured - considered doubtful	21.46	21.46
	Less: Allowance for bad and doubtful advances	(21.46)	(21.46)
		23978.79	20074.36
18	OTHER CURRENT ASSETS		
	Other Loans and Advances		
	Advances to Sugar Mills		
	Secured, considered good - current maturities of LTL	1059.25	919.25
	Interest accrued on Advances/Deposits etc.,	1115.46	847.97
		2174.71	1767.22

NOTES TO ACCOUNTS

(Rs.in Lakh)

Note No.	Particulars	For the Year ended 31/03/2013	For the Year ended 31/03/2012
19	SALES (Net of Sales Tax & Sales Returns)		
	Printing & Writing Paper:		
	- Domestic Sales	161338.47	125604.64
	- Export Sales	31289.15	33486.54
		<u>192627.62</u>	<u>159091.18</u>
	Less: Discounts	17387.62	9346.99
		<u>175240.00</u>	<u>149744.19</u>
	Pulp	686.88	8.79
	Energy	1282.06	1679.09
	Sale of Traded Goods		
	Note Books	10766.30	2092.27
	Centum Examination Paper	0.00	60.29
	Paper	0.00	268.29
	Other Operating Income		
	Export Incentive	1029.56	1318.47
	Incentive under CDM / REC	1704.51	548.07
	Sale of scrap, wastes etc.	2995.93	1765.28
		<u>193705.24</u>	<u>157484.74</u>
20	OTHER INCOME		
	Interest - Deposits/Advances/OD bills	444.92	555.33
	Dividend - Non-trade		
	a) Long Term Investments	2.14	7.85
	b) Current Investments	0.05	2.33
	Rental - Building	106.99	93.55
	Gain on Exchange Fluctuations	0.00	317.81
	Other receipts	1438.22	630.22
		<u>1992.32</u>	<u>1607.09</u>
21	COST OF MATERIAL CONSUMED		
	Raw materials consumed *	26632.08	22796.69
	Chemicals consumed	19558.86	17299.87
	Freight & Handling charges	2949.03	3856.22
	Packing Expenses	3971.91	4490.42
		<u>53111.88</u>	<u>48443.20</u>
22	PURCHASE OF STOCK IN TRADE		
	Note Books	9627.94	1786.12
	Paper	0.00	259.84
	Centum Examination Paper	0.00	62.01
		<u>9627.94</u>	<u>2107.97</u>

* Excluding cost of Bagasse procured in lieu of steam/fuel supplied.

NOTES TO ACCOUNTS

(Rs.in Lakh)

Note No.	Particulars	For the Year ended 31/03/2013	For the Year ended 31/03/2012
23	CHANGES IN INVENTORIES OF		
	Bagasse	1355.67	(2905.54)
	Work in Progress	659.50	(3327.40)
	Finished Goods	651.76	(2075.01)
		<u>2666.93</u>	<u>(8307.95)</u>
24	EMPLOYEE BENEFIT EXPENSES		
	Salaries, Wages and Bonus	9208.83	9026.88
	Contribution to Provident and Other funds	1846.53	942.67
	Gratuity, Leave Encashment and Employee Benefit Scheme	1712.54	1630.83
	Staff Welfare	1135.68	1015.61
		<u>13903.58</u>	<u>12615.99</u>
25	OTHER EXPENSES		
	Stores consumed	1682.45	1473.68
	Power, Fuel & Water charges	41964.31	44932.99
	Repairs and maintenance:		
	- Building	962.81	628.41
	- Plant and machinery	9738.71	8982.61
	- Others	147.68	158.28
	Rent	196.08	215.07
	Rates and Taxes	459.20	402.68
	Insurance	206.16	166.74
	Transportation Charges	3525.42	2814.63
	Commission & Discount on Sales	3889.62	3132.35
	Travelling & Conveyance	224.79	349.91
	Auditors' Remuneration	13.05	11.61
	Printing and Stationery	41.48	87.43
	Communication	119.72	117.30
	Loss on write off/Sale of Fixed Assets(Net)	0.03	3.68
	Advertisement	359.37	186.39
	Farm Forestry	329.73	309.48
	Bad Debts/Advances w/ off (Net)	57.51	0.00
	Loss on Exchange Fluctuations	1120.17	0.00
	Miscellaneous	1563.08	1511.86
		<u>66601.37</u>	<u>65485.10</u>
26	FINANCE COST		
	Term Loans	4716.68	7134.67
	Working Capital	6609.36	6281.77
	Fixed Deposits	0.07	0.05
	Others	771.02	710.07
		<u>12097.13</u>	<u>14126.56</u>
27	EXCEPTIONAL ITEMS	0.00	(9988.55)
	Gain on unwinding of Hedge Instruments	<u>0.00</u>	<u>(9988.55)</u>

NOTES TO ACCOUNTS

(Rs.in Lakh)

Note No.	Particulars	As at 31/03/2013	As at 31/03/2012
28	CONTINGENT LIABILITIES AND COMMITMENTS		
	(TO THE EXTENT NOT PROVIDED FOR)		
	A) CONTINGENT LIABILITIES		
	a) Claims against the company not acknowledged as debts - Statutory Dues		
	i) Income-tax	4865.88	2808.57
	ii) Wealth Tax	19.46	19.46
	iii) Custom Duty	271.21	271.21
	iv) Excise Duty	29716.39	27747.48
	b) Claims against the company not acknowledged as debts - Others		
	i) Corporate Office - Land	22.80	22.80
	ii) Land Acquisition Claims	134.60	134.67
	iii) Cess on Land Lease at Perungudi - Wind farm	92.74	37.94
	iv) Interest on Water Royalty paid belatedly	82.48	82.48
	v) Lease - Wind Mill	8.12	8.12
	vi) Interest - ABFSL	138.24	138.24
	vii) Property Tax	288.39	305.86
	viii) Generation tax & interest on Generation Tax	2373.14	0.00
	ix) Others	96.37	160.23
	c) Concession in custom duty availed for imports cleared under EPCG Scheme	2816.79	2187.07
	d) Solar Purchase Obligation	990.00	0.00
	e) Revenue sharing agreement under captive plantation	Non-Quantifiable	
	f) Guarantees issued by the banks on behalf of the Company	4263.69	1520.00
	g) Letter of Credit issued by banks on behalf of the Company	6984.87	9307.67
		53165.17	44751.80
	B) COMMITMENTS		
	a) Estimated amount of contracts remaining to be executed on capital account and not provided for	3551.36	2863.46
		3551.36	2863.46
	Total	56716.53	47615.26

NOTES TO ACCOUNTS

(Rs.in Lakh)

Note No.	Particulars	2012 - 2013	2011 - 2012
29	I) Additional Information:-		-
	a) Value of Raw Materials, Chemicals, Stores & Spare Parts consumed		
	i) Major Raw Materials consumed		
	a) Indigenous		
	Wood	17465.84	16544.69
	Bagasse @	22281.73	22247.13
	Total (a)	39747.57	38791.82
	b) Imported		
	Imported Pulp	8736.26	5362.97
	Total - (a) + (b)	48483.83	44154.79
	Indigenous - Percentage on Total Consumption	81.98%	87.85%
	Imported - Percentage on Total Consumption	18.02%	12.15%
		100.00%	100.00%
	@ Bagasse is procured both from open market and under barter arrangement with various sugar mills by exchange of fuel/steam. The consumption value of bagasse represents the cost of procurement of bagasse from open market and cost of production of steam/fuel supplied to sugar mills in exchange for bagasse, freight, handling charges etc. The cost of bagasse procured on barter is accounted on depithed basis and the same is included in the respective heads of accounts		
	ii) Chemical consumed		
	Indigenous	17632.72	16023.42
	Imported	1926.14	1276.45
	Total	19558.86	17299.87
	Indigenous - Percentage on Total Consumption	90.15%	92.62%
	Imported - Percentage on Total Consumption	9.85%	7.38%
		100.00%	100.00%
	iii) Stores and Spares consumed		
	Indigenous	9987.02	8994.52
	Imported	1434.14	1461.77
	Total	11421.16	10456.29
	Indigenous - Percentage on Total Consumption	87.44%	86.02%
	Imported - Percentage on Total Consumption	12.56%	13.98%
		100.00%	100.00%
	iv) Coal consumed		
	Indigenous	668.21	1001.09
	Imported	31740.48	34244.71
	Total	32408.69	35245.80
	Indigenous - Percentage on Total Consumption	2.06%	2.84%
	Imported - Percentage on Total Consumption	97.94%	97.16%
		100.00%	100.00%

NOTES TO ACCOUNTS

(Rs.in Lakh)

Note No.	Particulars	2012 - 2013	2011 - 2012
b)	Foreign Currency Transaction:		
	i) Earning in Foreign Currency		
	FOB Value of Exports	29704.48	32368.18
	CDM Receipts	17.82	92.59
	ii) Value of imports calculated on CIF values		
	Wood pulp	3776.59	7662.40
	Chemicals	1630.21	1200.76
	Stores & Spares	2596.09	2629.36
	Coal	22339.47	24193.30
	Capital Goods	1145.76	5126.79
	iii) Expenditure in Foreign Currency		
	Engineering and Supervisory Charges	144.89	238.74
	Interest	2688.57	2403.85
	Others	144.25	94.70
	iv) Dividend remitted in Foreign Currency	2011-12	2010-11
	No. of Non-Resident Shareholders	6	6
	No. of Shares held by Non-Resident Shareholders	1900	1900
	Dividend	0.10	0.10
c)	Details of Auditors Remuneration	2012-13	2011-12
	a) Statutory audit	6.00	6.00
	b) Limited Review	1.50	1.50
	c) Taxation audit	1.00	1.00
	d) Certification fees	4.55	3.11
	Total	13.05	11.61
d)	Earning Per Share (EPS)		
	Weighted Average Number of Shares	69210600	69210600
	Number of Shares outstanding at year end	69210600	69210600
	EPS (Rs.)	13.22	15.74
e)	Intangible Assets - Expenditure on Research & Development		
	Salaries & Wages	123.31	82.71
	Repairs and Maintenance	260.67	124.29
	Depreciation	40.27	30.21
	Chemicals	25.69	46.81
	Total	449.94	284.02
	Note:		
	The above items have been included under the respective natural heads of expenditure in the Statement of Profit and Loss.		

NOTES TO ACCOUNTS

(Rs.in Lakh)

Note No.	Particulars	2012 - 2013	2011 - 2012
f)	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	471.66	402.56
	b) Interest paid during the year	Nil	Nil
	c) Interest payable at the end of accounting year	Nil	Nil
	d) Interest accrued and unpaid at the end of accounting year	Nil	Nil
f)	OTHER CURRENT LIABILITIES: Other payables includes:		
	a) Rs.2410.35 lakh being the guarantee commission in respect of IBRD Loan guaranteed by Govt. of India lying since 2002		
	b) Rs.1572.42 lakh being Electricity Generation Tax for the generation of energy from captive generation plant for own use.		
g)	Confirmation of balances from Debtors, Creditors and for Loans and Advances have been received and the same is being reconciled		
h)	Farm Forestry Expenditure is charged-off to the Statement of Profit and Loss, in the year in which it is incurred, since it could not be matched with wood procured from farmers.		
i)	Non Moving Stores & Spares Stores and spares not drawn for use for more than three years as at the end of the year are charged to revenue. Such stores and spares are carried at nil value in the books and in the year of issue, charged to revenue at nil value.		

(Figures in Million)

Note No.	Nature of Exposure and Currency	31.03.2013	31.03.2012	Underlying Risk Coverage
j) a)	Outstanding Forward Contracts & Financial Instruments which are in substance Forward Contracts			
i)	Firm and Future Commitments / Probable future Transactions			
	Exports - USD	40.852	44.175	USD / INR
	Imports - Capex - EURO	0.000	0.201	EURO/INR
	Imports - Capex - SEK	0.000	0.345	SEK / INR
	Imports - Revenue - USD	8.338	5.205	USD / INR
	Imports - Revenue - EURO	0.096	0.000	EURO/INR

(Figures in Million)

Note. No.	Nature of Exposure and Currency	31.03.2013	31.03.2012	Underlying Risk Coverage
ii)	Balance Sheet Items			
	Packing Credit - USD	17.600	19.700	USD / INR
	Buyers' Credit - USD	14.284	14.605	USD / INR
	Buyers' Credit - EURO	0.000	1.121	EURO/INR
	Suppliers' Credit - USD	14.346	0.346	USD / INR
	ECB Loan - JPY	391.590	316.436	JPY / USD
	ECB Loan - USD - Interest Rate Swap	7.500	11.250	USD / INR
	b) Unhedged Foreign Currency Exposure - Assets & Liabilities			
	ECB Loan - JPY	0.000	56.952	JPY / INR
	ECB Loan - JPY	1764.980	2646.938	JPY / INR
	ECB Loan - USD	9.000	15.000	USD/INR
	FCNR (B) Loan - USD	27.036	37.851	USD/INR
	ECB Loan - USD	7.500	11.250	USD/INR
	ECB Loan - USD	10.000	14.000	USD/INR
	FCNR (B) Loan - USD	8.619	8.619	USD/INR
	Outstanding Export Bills - USD	6.728	9.777	USD/INR

k) **THE MOVEMENT IN HEDGING RESERVE DURING THE YEAR ENDED 31ST MARCH, 2013 FOR DERIVATIVES DESIGNATED AS CASH FLOW HEDGE IS AS FOLLOWS:**

(Rs.in Lakh)

Sl. No.	Particulars	Hedge relating to Firm Commitment	Hedge relating to forecast Transactions	Total
1	Balance at the beginning of the year	36.57	(788.20)	(751.63)
2	Changes in the fair value of hedges at the exchange rate on the date of settlement of the underlying transactions	(56.34)	(776.70)	(833.04)
3	Gains/(Losses) transferred to the Statement of Profit & Loss / carrying cost of Non Monetary assets/liabilities	(19.77)	(1564.90)	(1584.67)
4	Changes in the fair value of the effective portion of the outstanding cash flow hedges.	(3.14)	631.18	628.04
5	Gains/(losses) Relating to discontinued cash flow hedge transferred to the Statement of Profit & Loss.	0.00	0.00	0.00
6	Balance at the year end - 31.03.2013	(3.14)	631.18	628.04

II a) SIGNIFICANT ACCOUNTING POLICIES**AS - 1 Disclosure of Accounting Policies**

The accounts have been prepared using historical cost convention and on the basis of going concern, with revenues recognised, expenses accounted on accrual basis, unless otherwise stated and in accordance with applicable accounting standards.

Use of Estimates:

The preparation of financial statements requires management to make estimates and assumptions of some of the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities on the date of the financial statements and amounts of revenues and expenses during the period reported.

AS - 2 Valuation of Inventories

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

AS - 3 Cash Flow Statements

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

AS - 4 Events occurring after the Balance Sheet Date

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

AS - 5 Net Profit or Loss for the Period, Prior Period Items and Changes in Accounting Policies

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

AS - 6 Depreciation Accounting

- a) Depreciation on fixed assets is provided on straight-line basis at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956.
- b) Depreciation on additions / deductions in respect of fixed assets are charged pro-rata from / upto the date in which the asset is available for use / disposal
- c) Depreciation on addition to assets (which are to supplement the usage of the parent asset) is provided as detailed below: -
 - i) In respect of additions to existing Buildings, Depreciation has been provided prospectively over the residual life of the parent asset from the beginning of the year in which such additions are made.
 - ii) In respect of additions to existing Plant and Machinery, Depreciation has been provided prospectively over the residual useful life of the parent asset from the beginning of the year in which such addition is made.
 - iii) In respect of rebuild / upgrade of machinery leading to substantial capacity expansion, depreciation is provided on straight line basis at the rates and in the manner provided in Schedule XIV to the Companies Act, 1956.

- d) In respect of modernisation programme leading to replacement of existing assets, depreciation is provided over the remaining useful life of the assets getting replaced.
- e) In respect of Individual Assets costing less than Rs.5000/-, full depreciation has been provided in the year of addition.
- f) In respect of specific spares
Machinery spares specific to an item of fixed asset costing Rs.3 lakh and above per individual unit are treated as addition to fixed asset and depreciation provided over the remaining useful life of the parent asset. In the year of issue, written down value of such spares are charged as depreciation. Spares acquired during the year and issued for use during the year is treated as addition to fixed asset and 100% depreciation is provided.
- g) Pending renewal of agreements with some of the sugar mills, depreciation on fixed assets at such Offsite is provided on straight-line basis at the rates and in the manner prescribed in Schedule XIV to the Companies Act, 1956 considering the continued arrangement for procurement of bagasse from sugar mills.

AS - 9 Revenue Recognition

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

AS - 10 Accounting for Fixed Assets

Fixed Assets

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

Capital Work-in-Progress

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

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

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

AS - 11 Accounting for Effects in Foreign Exchange Rates

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

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

AS - 12 Accounting for Government Grants

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

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

AS - 13 Accounting for Investments

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

AS - 15 Employee Benefits

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

- i) Provident Fund

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

- ii) Gratuity and long term compensated absence:

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

- c) Defined Contribution

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

AS - 16 Borrowing cost

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

AS – 17 Segment Reporting

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

AS - 18 Related Party Transactions

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

AS - 19 Leases

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

AS - 20 Earnings per Share

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

AS - 22 Accounting for Taxes on Income

Income-tax expense is accounted in accordance with AS 22 - "Accounting for taxes on Income" which includes current taxes and deferred taxes. Deferred taxes reflect the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available.

AS - 26 Intangible Assets**General:**

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

Research and Development:

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

AS - 28 Impairment of Assets

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

AS - 29 Provisions, Contingent Liabilities and Contingent Assets

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

AS -30 Accounting of Derivative Financial Instruments

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

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

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

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

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

Premium on forward exchange contracts designated as hedging instruments is amortized as expense/income or adjustment to initial carrying cost of the hedged item over the life of the contract.

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

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

(Rs in Lakh)

TYPE OF PLAN	GRATUITY		LEAVE ENCASHMENT	
	2012-13	2011-12	2012-13	2011-12
PERIOD OF DISCLOSURE				
	UNFUNDED		UNFUNDED	
RECONCILIATION OF OPENING AND CLOSING BALANCES:				
PVO as at the beginning of the period	5986.18	5605.34	2056.35	1412.17
Interest Cost	499.63	433.49	163.14	103.79
Current service cost	290.80	251.85	352.52	307.90
Benefits paid	(353.10)	(373.32)	(318.74)	(229.64)
Actuarial loss/(gain) on obligation (balancing figure)	340.64	68.82	101.10	462.13
PVO as at the end of the period	6764.15	5986.18	2354.37	2056.35
EXPENSES RECOGNISED IN THE STATEMENT OF PROFIT AND LOSS				
Current service cost	290.80	251.85	352.52	307.90
Interest Cost	499.63	433.49	163.14	103.79
Expected return on plan assets	0	0	0	0
Net actuarial (gain)/loss recognised in the year	340.64	68.82	101.10	462.13
Expenses recognized in the statement of profit and loss	1131.07	754.16	616.76	873.82
Net Assets(Liability) recognised in the Balance Sheet				
Present value of obligation	6764.15	5986.18	2354.37	2056.35
Fair value of plan assets	0.00	0.00	0.00	0.00
Difference	6764.15	5986.18	2354.37	2056.35
Liability recognised in the balance sheet	6764.15	5986.18	2354.37	2056.35
ASSET/LIABILITY RECOGNIZED IN THE BALANCE SHEET				
Opening net liability	5986.18	5605.34	2056.35	1412.17
Expense as above	1131.07	754.16	616.76	873.82
Contribution paid	(353.10)	(373.32)	(318.74)	(229.64)
Closing net liability recognized in Balance Sheet	6764.15	5986.18	2354.37	2056.35
PRINCIPAL ACTUARIAL ASSUMPTIONS				
[Expressed as weighted averages]				
Discount Rate	8.10%	8.60%	8.10%	8.60%
Salary escalation rate	6.75%	7.00%	6.75%	7.00%
Attrition rate	3.00%	4.00%	3.00%	4.00%
ENTERPRISE'S BEST ESTIMATE OF CONTRIBUTION DURING NEXT YEAR	350.00	370.00	300.00	230.00

ii) Segment Reporting: (AS 17)

a) Primary Segments

(Rs. In lakh)

Particulars	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended	Year Ended
	31.03.2013	31.03.2012	31.03.2013	31.03.2012	31.03.2013	31.03.2012
	Paper		Energy		Total	
1 Segment Revenue						
a) External Sales	179113.69	146980.92	1282.06	1679.09	180395.75	148660.01
b) Inter Segment Sales			24124.99	22349.93	24124.99	22349.93
Sub-Total	179113.69	146980.92	25407.05	24029.02	204520.74	171009.94
Less: Inter Segment revenue			24124.99	22349.93	24124.99	22349.93
Net Sales / Income from Operations			1282.06	1679.09	180395.75	148660.01
Total Segment Revenue	179113.69	146980.92	1282.06	1679.09	180395.75	148660.01
2 Segment Results	25488.95	17501.16	607.63	389.92	26096.58	17891.08
(Profit (+) / Loss (-) before tax and Interest)						
Less:						
i) Interest					12097.13	14126.56
ii) Other unallocable expenditure net of unallocable income					1388.82	1241.75
iii) Exceptional Items					0.00	998.55
Profit Before Tax					12610.63	12511.32
Provision for Taxation					3462.63	1617.48
Profit after Tax					9148.00	10893.84
3 Other Information						
Segment Assets	297511.36	309261.73	20619.16	21508.13	318130.52	330769.86
Unallocated Corporate Assets					29971.42	22925.84
Total Assets	297511.36	309261.73	20619.16	21508.13	348101.94	353695.70
Segment Liabilities	58486.91	31999.03	305.33	4493.55	58792.24	36492.58
Unallocated Corporate Liabilities					82590.47	101311.58
Total Liabilities	59288.69	31999.03	305.33	4493.55	141382.71	137804.16
Capital Expenditure (excludes unallocated capital expenditure Rs. 27.41 lakh. (previous year Rs.35.79 lakh)	7127.84	15098.16	939.10	181.12	8066.94	15279.28
Depreciation (excludes unallocated capital expenditure Rs. 59.48 lakh. (Previous year Rs. 55.68 lakh)	15609.93	15158.09	1829.20	1691.50	17439.13	16849.59

Geographical Segment

(Rs. In lakh)

Particulars	India		Rest of the world		Total	
	31.03.13	31.03.12	31.03.13	31.03.12	31.03.13	31.03.12
Revenue from external customers	149106.60	115173.47	31289.15	33486.54	180395.75	148660.01

iii) RELATED PARTY DISCLOSURES (AS 18):

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

Particulars	2012-2013			2011-2012		
	MD	DMD/WTD	Total	MD	DMD/WTD	Total
Pay and Allowances	5.25	23.81	29.06	3.38	22.34	25.72
Reimbursement of Medical Expenses	0.30	1.38	1.68	0.65	1.28	1.93
Other Perquisites	0.20	4.26	4.46	0.55	3.98	4.53
	5.75	29.45	35.20	4.58	27.60	32.18

iv) IMPAIRMENT OF ASSETS (AS 28):

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

III) GENERAL

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

N S PALANIAPPAN, IAS
Chairman & Managing Director

A.VELLIANGIRI
Dy.Managing Director & Secretary

vide our report of even date
For P.B. VIJAYARAGHAVAN & CO
Chartered Accountants
Firm Reg. No.004721S

Place : Chennai
Date : 27th May, 2013

R. MANI
Director (Operations)

P.B SRINIVASAN
Partner
Membership No.203774

ELECTRONIC CLEARING SERVICES (ECS) MANDATE FORMAT

To

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

To

(In Case of Electronic Holding)
 The Depository Participant

Dear Sir,

FORM FOR ELECTRONIC CLEARING SERVICES FOR PAYMENT OF DIVIDEND

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

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

1. For Shares held in physical form

Folio No. :

2. For Shares held in electronic form

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

DP ID :

Client ID :

3. Shareholder's Name: Shri/Smt/Kum/M/s _____

4. Shareholder's Address _____

5. Particulars of Bank:

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

6. Date from which the mandate should be effective:

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

Place :

Signature of the First Shareholder

Date :

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