

## ANNEXURE – VII

### REPORT ON CORPORATE GOVERNANCE

This Corporate Governance Report relating to the year ended on 31<sup>st</sup> March, 2017 has been issued in compliance with the requirements of Regulation 34(3) read with Clause C of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and forms a part of the Report of the Directors to the Members of the Company.

#### A. MANDATORY REQUIREMENTS

##### 1. Company's Philosophy

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

##### 2. Board of Directors

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

As on 31<sup>st</sup> March, 2017, the Board consisted of ten directors - a Chairman & Managing Director and two non-executive Directors nominated by GOTN, one Executive Director and six independent non-executive Directors including one woman director.

As per Regulation 17(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, board of directors shall have an optimum combination of executive and non-executive directors with at least one woman director and not less than fifty percent of the board of directors shall comprise of non-executive directors. Where the chairperson of the board of directors is a non-executive director, at least one-third of the board of directors shall comprise of independent directors and where the listed entity does not have a regular non-executive chairperson, at least half of the board of directors shall comprise of independent directors.

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

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

During the year 2016-17, following changes took place in the composition of the Board:

| Sl. No. | Name of Director                | Event Date | Appointment / Cessation   |
|---------|---------------------------------|------------|---|
| 1.      | Thiru T. Udhayachandran, IAS    | 11.07.2016 | Ceased to be a Director   |
| 2.      | Thiru K. Shanmugam IAS          | 11.07.2016 | Appointed as Additional Director and regularized as Director at the AGM held on 28.9.2016.  |
| 3.      | Thiru N. Narayanan, IAS (Retd.) | 14.07.2016 | Appointed as Additional (Independent) Director and appointed as Independent Director at the AGM held on 28.9.2016                       |
| 4.      | Thiru C.V. Sankar, IAS          | 31.07.2016 | Ceased to be a Director   |
| 5.      | Dr. Rajeev Ranjan, IAS          | 17.08.2016 | Appointed as Director designated as Chairman and Managing Director)   |
|         |                                 | 07.09.2016 | Ceased to be a Director   |
| 6.      | Thiru Vikram Kapur, IAS         | 07.09.2016 | Appointed as Additional Director designated as Chairman and Managing Director and regularized as Director at the AGM held on 28.9.2016. |

There is no inter se relationship between the directors.

**Board Diversity**

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

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

**Independent Directors**

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

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

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

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

**Separate meeting of independent directors**

During the year, the Independent Directors of the Company met separately without the presence of other Directors or management representatives on 24<sup>th</sup> March 2017 to discuss:

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

**Familiarisation Programme**

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

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

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

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

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

### **Board Meetings Process**

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

It also ensures strict compliance with the law and all regulations by the Company. Board's key functions include:

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

The notice of Board Meeting is given well in advance to all the Directors. The meetings are usually held at the company's Registered Office at 67 Mount Road, Guindy, Chennai 600 032. The Agenda and Pre-reads are circulated well in advance in the prescribed agenda format before each meeting to all the Directors for facilitating effective discussion and decision making. Where it is not practicable to attach any document to the agenda, the same is placed on the table at the meeting with specific reference to this effect in the agenda. With the permission of Chairman, in special and exceptional circumstances, additional or supplementary item(s) on the agenda are permitted.

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

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

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

### **Support and Role of Company Secretary**

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

### **Invitees & proceedings**

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

- b. Attendance of each Director at the Board of Directors' Meetings held during 2016-2017, the last AGM and number of other company boards or board/committees in which each of the directors of the company is a member or chairperson are as follows:

| Name of Director  | Category                  | No. of Board meetings |          | Whether attended last AGM | Directorships held in other companies |          | Committee* Memberships held in other companies |          |
|---|---------------------------|-----------------------|----------|---------------------------|---------------------------------------|----------|--|----------|
|   |                           | Held                  | Attended |                           | Director                              | Chairman | Member   | Chairman |
| Thiru Vikram Kapur, IAS<br>Chairman & Managing Director<br>(w.e.f. 07.09.2016)          | Executive                 | 5                     | 5        | Yes                       | 6                                     | -        | -  | -        |
| Dr. Rajeev Ranjan IAS<br>Chairman & Managing Director<br>(from 17.8.2016 to 07.09.2016) | Executive                 | 1                     | 1        | NA                        | 9                                     | 1        | -  | -        |
| Thiru C V Sankar IAS<br>Chairman & Managing Director<br>(upto 31.07.2016)               | Executive                 | 2                     | 2        | NA                        | 12                                    | 6        | -  | -        |
| Thiru A Velliangiri<br>Deputy Managing Director   | Executive                 | 8                     | 8        | Yes                       | -                                     | -        | -  | -        |
| Thiru T Udhayachandran IAS<br>(upto 11.7.2016)  | Non-Executive             | 1                     | 1        | NA                        | 10                                    | -        | 2  | -        |
| Thiru K Shanmugam IAS<br>(from 11.7.2016)   | Non-Executive             | 7                     | 2        | No                        | 10                                    | -        | 3  | 2        |
| Thiru Mahesan Kasirajan IAS   | Non-Executive             | 8                     | 4        | No                        | 2                                     | 1        | 0  | 0        |
| Thiru V Narayanan   | Independent Non-Executive | 8                     | 8        | Yes                       | 1                                     | 0        | 1  | 0        |
| Thiru N Kumaravelu  | Independent Non-Executive | 8                     | 6        | Yes                       | 3                                     | -        | -  | -        |
| Thiru M R Kumar   | Independent Non-Executive | 8                     | 7        | No                        | 1                                     | -        | -  | -        |
| Thiru V Nagappan  | Independent Non-Executive | 8                     | 8        | Yes                       | 2                                     | 0        | 2  | 0        |
| Tmt Sarada Jagan  | Independent Non-Executive | 8                     | 6        | Yes                       | -                                     | -        | -  | -        |
| Thiru N Narayanan IAS (Retd.)<br>(from 14.7.2016)                                       | Independent Non-Executive | 7                     | 4        | Yes                       | 1                                     | -        | -  | -        |

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

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

**Limit on number of directorships**

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

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

Eight Board Meetings were held during the year 2016-17 as against the minimum requirement of four meetings. The meetings were held on the following dates:

27.05.2016, 28.07.2016, 17.08.2016, 16.09.2016, 28.09.2016, 29.11.2016, 10.02.2017, 24.03.2017.

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

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

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

**e. Recording minutes of proceedings at Board Meeting**

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

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

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

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

**g. Compliance**

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

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

Particulars of Directors being appointed at the Annual General Meeting and Directors retiring by rotation and seeking reappointment have been given in the Notice convening the 37<sup>th</sup> Annual General Meeting along with the Explanatory Statement.

**3. Audit Committee – (Statutory) Regulation 18(3)****Powers of Audit Committee**

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

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

**a) Terms of reference**

The terms of reference of this Committee are wide enough to cover the matters specified for Audit Committee under Sec.177 of the Companies Act, 2013 and Regulation 18 read with Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board has also included in the terms of reference of the Audit Committee the monitoring, implementing and review of risk management plan as required under Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (previously Clause 49(VI) of the revised Listing Agreement with Stock Exchanges) and therefore a separate Risk Management Committee has not been constituted. The broad terms of reference of the Audit Committee therefore include:

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

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

The Audit Committee mandatorily reviews the following information:

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

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

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

In TNPL, the Audit Committee was established even before the introduction of the Corporate Governance code (Cl.49 (III A of the earlier Listing Agreement)). As on 31<sup>st</sup> March, 2017, the following six non-executive Independent Directors are the members in the Audit Committee:

1. Thiru V Narayanan, Chairman of the Committee
2. Thiru N Kumaravelu, Member
3. Thiru M R Kumar, Member
4. Thiru V Nagappan, Member
5. Tmt Sarada Jagan, Member
6. Thiru. N. Narayanan, IAS (Retd.), Member

The Company Secretary acts as the Secretary to the Committee.

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

**c) Meetings and attendance during the year [Regulation 18(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

| Director                   | No. of Meetings Held | Attended |
|----------------------------|----------------------|----------|
| Tvl.                       |                      |          |
| V Narayanan                | 8                    | 8        |
| N Kumaravelu               | 8                    | 6        |
| M R Kumar                  | 8                    | 7        |
| V Nagappan                 | 8                    | 8        |
| N. Narayanan, IAS (Retd.)* | 6                    | 4        |
| Tmt. Sarada Jagan          | 8                    | 6        |

\*Inducted as a member of Audit Committee w.e.f. 28.7.2016

The Audit Committee met 8 times during 2016-17 as against the minimum requirement of 4 meetings. The dates on which the meetings were held are given below:

27.05.2016, 28.07.2016, 17.08.2016, 16.09.2016, 28.09.2016, 29.11.2016, 10.02.2017, 24.03.2017.

**Invitees / Participants:**

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



#### 4. Stakeholders` Relationship Committee (Statutory)

##### a) Stakeholders` Relationship Committee

Shareholders` complaints/grievances are redressed by the Registrar and Transfer Agent, namely M/s.Cameo Corporate Services Limited. The Board also constituted Shareholders`/Investors` Grievances Committee in August 2001. As per section 178(5) of the Companies Act 2013, the Board of Directors of the company which consists of more than one thousand shareholders, debenture holders, deposit holders and any other security holders at any time during a financial year shall constitute a Stakeholders` Relationship Committee consisting of a Chairman who shall be a non-executive director and such other members as may be decided by the Board. As the company is already having an Investors Grievances Committee to look into the redressing of Stakeholders and Investors` grievances, in compliance with the above section, the Investors Grievances Committee is renamed as "Stakeholders` Relationship Committee." In addition to Section 178(5) of the Companies Act, 2013, this Committee complies with Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The following four non-executive Independent Directors are the members in the Stakeholders` Relationship Committee as on 31<sup>st</sup> March, 2017:

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

The Stakeholders Relationship Committee met on 29<sup>th</sup> November, 2016 and reviewed the grievances / complaints received and the action taken on the grievances / complaints.

##### Meetings and attendance during the year

| Director     | No. of Meetings Held | Attended |
|--------------|----------------------|----------|
| Tvl.         |                      |          |
| V Narayanan  | 1                    | 1        |
| N Kumaravelu | 1                    | 1        |
| M R Kumar    | 1                    | 1        |
| V Nagappan   | 1                    | 1        |

##### Terms of reference:

The functioning and broad terms of reference of the Stakeholders` Relationship Committee as adopted by the Board are as under:

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

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

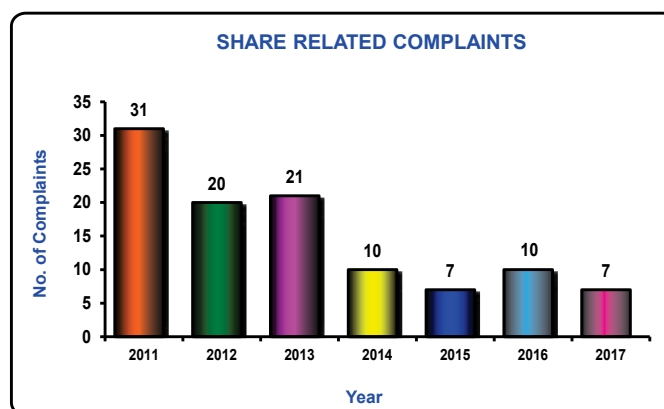
The Company Secretary, being the Compliance Officer, is entrusted with the responsibility, to specifically, look into the redressal of the shareholders and investors complaints and report the same to the Investors` Grievances Committee.

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

| Type of Complaints                | Number of complaints |
|-----------------------------------|----------------------|
| Non-receipt of Annual Reports     | 5                    |
| Non-receipt of Dividend Warrants  | 2                    |
| Non-receipt of Share Certificates | -                    |
| Miscellaneous/ Others             | -                    |
| <b>Total</b>                      | <b>7</b>             |

Complaints Status: 1.4.2016 to 31.3.2017

| Nature of complaints (Received and Resolved) | Q1       | Q2       | Q3       | Q4       | Total    |
|--|----------|----------|----------|----------|----------|
| Securities and Exchange Board of India       | -        | -        | -        | -        | -        |
| Stock Exchanges                              | -        | 1        | 4        | 1        | 6        |
| Shareholders                                 | -        | -        | 1        | -        | 1        |
| <b>Total</b>                                 | <b>-</b> | <b>1</b> | <b>5</b> | <b>1</b> | <b>7</b> |



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

#### b) Share Transfer Committee

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

All valid share transfers during the year ended 31<sup>st</sup> March, 2017 have been acted upon. No share transfer was pending as on 31<sup>st</sup> March, 2017.

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

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

- |                                     |                           |
|-------------------------------------|---------------------------|
| 1. Thiru V Narayanan*               | Chairman of the Committee |
| 2. Thiru N Narayanan, IAS (Retd.)** | Chairman of the Committee |
| 3. Thiru N Kumaravelu               | Member                    |
| 4. Thiru M R Kumar*                 | Member                    |
| 5. Thiru V. Nagappan                | Member                    |
| 6. Tmt. Sarada Jagan                | Member                    |

\*Ceased to be a member on 28.07.2016

\*\*Inducted as member of Corporate Social Responsibility Committee w.e.f. 28.7.2016

**Meetings and attendance during the year**

The Corporate Social Responsibility Committee met on 27<sup>th</sup> May 2016 and 10<sup>th</sup> February, 2017.

| Director                  | No. of Meetings Held | Attended |
|---------------------------|----------------------|----------|
| Tvl.                      |                      |          |
| V Narayanan*              | 1                    | 1        |
| N Narayanan IAS (Retd.)** | 1                    | 1        |
| N Kumaravelu              | 2                    | 1        |
| M R Kumar*                | 1                    | 1        |
| V Nagappan                | 2                    | 2        |
| Tmt. Sarada Jagan         | 2                    | 2        |

\* Ceased to be a member on 28.07.2016

\*\*Inducted as member and Chairman of Corporate Social Responsibility Committee w.e.f. 28.7.2016

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

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

**6. Nomination and Remuneration Committee**

To comply with Section 178 of the Companies Act 2013 and the earlier Clause 49(IV) of the revised Listing Agreement now Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the company has formed a Nomination and Remuneration Committee with the following Directors as members:

- |                                    |                           |
|------------------------------------|---------------------------|
| 1. Thiru N Narayanan, IAS (Retd.)* | Chairman of the Committee |
| 2. Thiru V Narayanan**             | Member                    |
| 3. Thiru M R Kumar                 | Member                    |
| 4. Tmt. Sarada Jagan               | Member                    |

\*Inducted as member and Chairman of Nomination and Remuneration Committee w.e.f. 28.07.2016

\*\* Ceased to be Chairman but continues to be a member of Nomination and Remuneration Committee w.e.f. 28.07.2016

The Nomination and Remuneration Committee met on 20<sup>th</sup> January 2017 and 24<sup>th</sup> March, 2017.

**Meetings and attendance during the year**

| Director                  | No. of Meetings Held | Attended |
|---------------------------|----------------------|----------|
| Tvl.                      |                      |          |
| N Narayanan IAS (Retd.)** | 2                    | 2        |
| V Narayanan               | 2                    | 2        |
| M R Kumar                 | 2                    | 2        |
| Tmt. Sarada Jagan         | 2                    | 2        |

\*\*Inducted as member of Nomination and Remuneration Committee w.e.f. 28.7.2016

**Terms of reference of the Committee:**

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

**Performance Evaluation of Directors**

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

**Remuneration Policy**

While formulating policy, the Committee has ensured that:

- Level and composition of remuneration is reasonable and sufficient to attract/ retain/ motivate directors
  - Relationship of remuneration to performance
  - Remuneration to directors/key management personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the company and its goals
  - Policy and evaluation criteria shall be disclosed in the Board's report.
- a. The remuneration/compensation to the Director, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. This will be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
  - b. The composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate the Key Managerial Personnel and Senior Management of the quality required to meet high standards of performance. The relationship of remuneration to performance shall be clear and meet appropriate performance benchmarks. The Committee may review remuneration of senior management personnel from time to time.

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

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

**Remuneration for Senior Executives on contractual basis:**

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

Thiru C V Sankar, IAS was appointed as Chairman and Managing Director (full additional charge) by the Government on 25<sup>th</sup> October, 2013 and he ceased to be director w.e.f 17.08.2016. He was paid remuneration in accordance with the Govt. rules as applicable to his cadre.

Thiru Rajeev Ranjan, IAS was appointed as Chairman and Managing Director, by the Government on 17<sup>th</sup> October 2016 and he ceased to be a director w.e.f 07.09.2016. He was paid remuneration in accordance with the Govt. rules as applicable to his cadre.

Later, Thiru Vikram Kapur, IAS was appointed as Chairman and Managing Director by the Government on 07<sup>th</sup> September 2016. He is being paid remuneration in accordance with the Govt. rules as applicable to his cadre.

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

**a) Details of remuneration for the year ended 31<sup>st</sup> March, 2017****Executive Directors****(Rs. in lakh)**

| Name & Position                        | Pay & Allowances | Reimbursement of medical expenses | Perquisites | Total        |
|--|------------------|-----------------------------------|-------------|--------------|
| Tvl<br>C V Sankar IAS CMD              | 11.33            | -                                 | -           | 11.33        |
| Rajeev Ranjan IAS CMD                  | -                | -                                 | -           | -            |
| Vikram Kapur IAS CMD                   | 2.47             | -                                 | -           | 2.47         |
| A Velliangiri<br>Dy. Managing Director | 35.87            | -                                 | 3.13        | 39.00        |
| <b>Total</b>                           | <b>49.67</b>     | <b>-</b>                          | <b>3.13</b> | <b>52.80</b> |

**Non-Executive Directors**

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

| Name of the Director   | Sitting Fees paid (Rs.) |                         |                                      |               |                                       |                                |
|--|-------------------------|-------------------------|--------------------------------------|---------------|---------------------------------------|--------------------------------|
|  | Board Meeting           | Audit Committee Meeting | Stakeholders' Relationship Committee | CSR Committee | Nomination and Remuneration Committee | Independent Director's Meeting |
| Thiru T Udhayachandran IAS<br>Ceased to be a director w.e.f.11.07.2016 | 25000*                  | 0                       | 0                                    | 0             | 0                                     | 0                              |
| Thiru Mahesan Kasirajan IAS  | 100000*                 | 0                       | 0                                    | 0             | 0                                     | 0                              |
| Thiru K. Shanmugam IAS<br>Appointed as a director w.e.f. 11.7.2016     | 50000*                  | 0                       | 0                                    | 0             | 0                                     | 0                              |
| Thiru V Narayanan  | 200000                  | 200000                  | 25000                                | 25000         | 50000                                 | 25000                          |
| Thiru N Kumaravelu   | 150000                  | 150000                  | 25000                                | 25000         | 0                                     | 0                              |
| Thiru M R Kumar  | 175000**                | 175000**                | 25000**                              | 25000**       | 50000**                               | 25000**                        |

| Name of the Director   | Sitting Fees paid (Rs.) |                         |                                      |               |                                       |                                |
|--|-------------------------|-------------------------|--------------------------------------|---------------|---------------------------------------|--------------------------------|
|  | Board Meeting           | Audit Committee Meeting | Stakeholders' Relationship Committee | CSR Committee | Nomination and Remuneration Committee | Independent Director's Meeting |
| Thiru V Nagappan   | 200000                  | 200000                  | 25000                                | 50000         | 0                                     | 25000                          |
| Tmt.Sarada Jagan   | 150000                  | 150000                  | 0                                    | 50000         | 50000                                 | 25000                          |
| Thiru N.Narayanan, IAS (Retd.)<br>Appointed as a director w.e.f.14.07.2016 | 100000                  | 100000                  | 0                                    | 25000         | 50000                                 | 25000                          |
| <b>Total</b>   | <b>1150000</b>          | <b>975000</b>           | <b>100000</b>                        | <b>200000</b> | <b>200000</b>                         | <b>125000</b>                  |

\* remitted to Govt. of Tamil Nadu

\*\* remitted to LIC of India Ltd.

Independent Directors were paid sitting fees of Rs.25000/- per meeting.

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

#### Shareholdings of Directors

No Director is holding any shares in the company.

### 7. General Body Meetings

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

| Year    | Location   | Date      | Time     | Special Resolution passed in the AGM by shareholders |
|---------|--|-----------|----------|--|
| 2013-14 | The Music Academy,<br>168, T.T.K.Road,<br>Chennai-600 014. | 15.9.2014 | 10.15 AM | No   |
| 2014-15 | -do-   | 18.9.2015 | 10.15 AM | No   |
| 2015-16 | -do-   | 28.9.2016 | 10.15 AM | No   |

II. Postal Ballot

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

#### E-voting System

Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Rule 20 of The Companies (Management and Administration) Rules 2014 state that every listed company or a company having not less than 1000 shareholders, shall provide to its members facility to exercise their right to vote at general meetings by electronic means. Thiru R Sridharan of M/s. R Sridharan & Associates, Practicing Company Secretary, was appointed to act as Scrutiniser to conduct, supervise and control the exercise of e-voting for passing of resolutions of the company at the last AGM held on 28<sup>th</sup> September, 2016.

#### 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, Four (4) circular resolutions by the Board and Five (5) circular resolutions by the Nomination & Remuneration Committee (NRC) were passed which was recorded at the subsequent Board/ NRC meeting.

### Secretarial Audit Report

Section 204 of the Companies Act, 2013 has mandated appointment of a Secretarial Auditor. Accordingly, M/s. R Sridharan & Associates, Practicing Company Secretaries, have been appointed as Secretarial Auditor for the year 2016-17. The Secretarial Audit Report in Form MR-3 is attached as an annexure to the Board's Report.

### Reconciliation of Share Capital Audit

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

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

| For the quarter ended            | Furnished on                  |
|----------------------------------|-------------------------------|
| 30 <sup>th</sup> June, 2016      | 5 <sup>th</sup> July, 2016    |
| 30 <sup>th</sup> September, 2016 | 5 <sup>th</sup> October, 2016 |
| 31 <sup>st</sup> December, 2016  | 5 <sup>th</sup> January, 2017 |
| 31 <sup>st</sup> March, 2017     | 12 <sup>th</sup> April, 2017  |

### 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 2016-17 the Compliance Report on Corporate Governance to stock exchanges in the prescribed format within 15 days from the close of the quarter.

### 8. Disclosures

- a. The company has formulated a policy for Related Party Transaction and the same has been uploaded on the company's website at the following link [http://www.tnpl.com/web\\_pdf\\_files/Related%20Party%20Transactions%20policy.pdf](http://www.tnpl.com/web_pdf_files/Related%20Party%20Transactions%20policy.pdf)

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

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

- b. Pursuant to Regulations 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 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 31<sup>st</sup> March 2017 in the form prescribed by Part B of Schedule II of the said Listing Regulations.
- c. The criteria for making payments to non-executive directors is placed on the website of the company [www.tnpl.com](http://www.tnpl.com)
- d. None of the non-executive directors is holding shares / convertible instruments of the company.
- e. There were no instances of non-compliance on any matter relating to the capital market during the last three years
- f. 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 37<sup>th</sup> Annual General Meeting.
- g. The Company has complied with all mandatory items of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

The Code of Conduct for Board Members and Senior Management adopted pursuant to Regulation 26(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 has been detailed below:

The code is applicable to all Directors and specified Senior Management Executives. The code impresses upon Directors and Senior Management Executives to uphold the interest of the company and its stakeholders and to endeavor to fulfil all the fiduciary obligations towards them. Another important principle on which the code is based is that the Directors and Senior Management Executives shall act in accordance with the highest standard of honesty, integrity, fairness and ethical conduct and shall exercise utmost good faith, due care and integrity in performing their duties. The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013 have included duties for Independent Directors in the Code of Conduct for Board Members. The company has suitably incorporated the same in the Code of Conduct for Board Members. The code has been posted on the website of the company [www.tnpl.com](http://www.tnpl.com)

Affirmation of compliance of Code of Conduct for the financial year 2016-17 has been received from the Directors and Senior Management personnel of the company.

**Prevention of Insider Trading**

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

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

**VIGIL MECHANISM / WHISTLE BLOWER POLICY**

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

**9. Means of Communication**

- |    |  |   |   |
|----|--|---|---|
| a. | Half-yearly report sent to each household of shareholders  | : | No*   |
| b. | Quarterly results:   |   |   |
|    | Newspapers published in  | : | Financial Express<br>Business Standard, Dinathanthi |
|    | Website where displayed  | : | <a href="http://www.tnpl.com">www.tnpl.com</a>      |
| c. | Whether the website also displays official news releases and presentations to the media, analysts, institutional investor's etc. ? | : | Yes   |



d. Audited financial results (Newspapers published in) : Financial Express  
Business Standard, Dinathanthi

e. Whether MD&A (Management Discussion & Analysis)  
is a part of Annual Report? : Yes

\* As the results are published in newspapers having wide circulation and also displayed on the company's website, half yearly results are not sent separately to each shareholder.

The company also informs by way of intimation to the Stock Exchanges all price sensitive matters and such other matters which in its opinion are material and of relevance to the shareholders and subsequently issues a Press Release on the said matters.

- f. Presentation to analysts: The Company's shares are listed on both BSE Limited and National Stock Exchange of India Limited. The presentations broadly cover operations, financials and industry outlook. The company also displays official news at our company's website. The Company also uploads on the BSE Listing Centre and on NSE NEAPS portals, details of analysts and institutional investor meetings whenever the Company's representatives attend any meeting of the investors.
- g. Annual Report: Annual Report containing, inter alia, audited Annual Accounts, Directors' Report, Auditors' Report and other important information is sent to Members and others entitled thereto. The Management Discussion and Analysis (MD&A) Report forms part of the Annual Report. The Annual Report is also available on the Company's website.
- h. Chairman's communiqué: Printed copy of the Chairman's speech is distributed to all the shareholders at the Annual General Meeting.
- i. The Company discloses to the Stock Exchanges, all information required to be disclosed under Regulation 30 read with Part A of Schedule III of the SEBI Regulations including material information having a bearing on the performance / operations of the listed entity or other electronically on BSE's online Portal – BSE Corporate Compliance & Listing Centre (Listing Centre) and on NSE Electronic Application Processing System (NEAPS), the on-line portal of National Stock Exchange of India Limited.
- j. The Board of Directors has approved a policy for determining materiality of events for the purpose of making disclosure to the Stock Exchanges. The Chairman & Managing Director and Deputy Managing Director & CFO of the Company are severally / jointly authorized to determine Materiality of any event or information while Deputy Managing Director & CFO / Company Secretary & AGM Internal Audit are severally authorised to make disclosures of the same to stock exchange(s), subject to the provisions of this Policy.
- k. All disclosures made to the stock exchanges as statutorily required are also available on the Company's website [www.tnpl.com](http://www.tnpl.com)
- l. Extensive Business Reporting Language(XBRL): XBRL is a language for electronic communication of business and financial data. It offers major benefits to all those who have to create, transmit, use or analyse such information which aids better analysis and decision making. Ministry of Corporate Affairs(MCA) vide its circular No. 37/2011 dated 7<sup>th</sup> June 2011 had mandated certain companies to file their Annual Accounts vide this mode. The company has filed its Annual Accounts on MCA through XBRL.
- m. Ministry of Corporate Affairs: The company has periodically filed all the necessary documents with the MCA.
- n. SEBI Complaints Redress System(SCORES): A centralized web based complaints redress system which serves as a centralized database of all complaints received, enables uploading of Action Taken Reports(ATRs) by the concerned companies and online viewing by the investors of action taken on the complaint and its current status.
- o. The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

- p. Shareholders are encouraged to correspond with the Registrars & Share Transfer Agents and the Company via email to speed up response, reduce paperwork and also to help us redress complaints faster. Shareholders are requested to mention their Folio nos. (DP-ID and Client ID in case of demat shares), phone or mobile number and their Email ID so that we can contact them and redress their complaints immediately. However, for instructions like change of bank mandate, change of address, transfers & transmission of shares etc. letters duly signed by the Shareholders concerned should be sent otherwise such requests cannot be processed by the Registrars. Email ID of Shareholders will have to be registered with the Depositories to enable the Registrars to communicate electronically. Registration of Email ID can be done by sending them a letter duly signed by the Shareholders.
- q. The Corporate Governance Report of the Company for the year 2016-17 is in compliance with the requirements of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

## 10. Risk Management

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

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

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

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

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

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

## 11. SHAREHOLDERS' INFORMATION

### 1. 37<sup>th</sup> Annual General Meeting

|                           |  |
|---------------------------|--|
| <b>Day, Date and Time</b> | Tuesday, 19 <sup>th</sup> September 2017 at 10.15 AM |
| <b>Venue</b>              | The Music Academy, 168, T.T.K.Road, Chennai-600 014  |

### 2. Financial Year Calendar (2017-2018) (Tentative):

The Company follows the period of 1<sup>st</sup> April to 31<sup>st</sup> March, as the Financial Year. For the Financial year 2017 -2018, Financial Results will be announced as per the following tentative schedule.

|   |                                    |
|---|------------------------------------|
| 1 <sup>st</sup> quarter ending June 30, 2017      | First/Second week of August 2017   |
| 2 <sup>nd</sup> quarter ending September 30, 2017 | First/Second week of November 2017 |
| 3 <sup>rd</sup> quarter ending December 31, 2017  | First/Second week of February 2018 |
| 4 <sup>th</sup> quarter ending March 31, 2018     | Third/Fourth week of May 2018      |

3. Book closure date: 13.09.2017 to 19.09.2017(both days inclusive) on account of AGM and Dividend.
4. Record Date in respect of shares held in dematerialised form, is 12.09.2017 for determining those who will be entitled to receive dividend to be declared at the ensuing Annual General Meeting.

5. Cut Off Date is 12.09.2017 for determining those who will be entitled to vote electronically on the resolutions mentioned in the Notice convening the Annual General Meeting by remote e-Voting and also vote at the meeting venue.

6. Electronic Voting

Pursuant to section 108 and other applicable provisions of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014 and other applicable requirements, voting at the 37<sup>th</sup> Annual General Meeting will be made through electronic voting. The electronic voting period will be from 9.00 a.m. IST on 15.09.2017 to 5.00 p.m. IST on 18.09.2017, both days inclusive

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

8. (a) Dividend payment date : 22.09.2017 onwards.

(b) Dividend Policy:

Dividends, other than Interim dividend(s), are to be declared at the Annual General Meetings of Shareholders based on the recommendation of the Board of Directors. Generally, the factors that may be considered by the Board of Directors before making any recommendations for dividend include, without limitation, the Company's future expansion plans and capital requirements, profits earned during the fiscal year, cost of raising funds from alternate sources, liquidity position, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time and general market conditions. The Board of Directors may also from time to time pay interim dividend(s) to Shareholders. The Board of Directors have framed a Dividend Distribution Policy which is posted on the website of the Company at [http://www.tnpl.com/web\\_pdf\\_files/Dividend-Distribution-Policy-TNPL.pdf](http://www.tnpl.com/web_pdf_files/Dividend-Distribution-Policy-TNPL.pdf)

9. Listing of Equity Shares on

(a) Stock Exchanges at :

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

(b) Depositories at :

|  |   |
|--|---|
| National Securities Depository Ltd.<br>Trade World, 4 <sup>th</sup> Floor,<br>'A' Wing Kamala Mills Compound, Senapati Bapat Marg,<br>Lower Parel,<br>Mumbai – 400 013 | Central Depository Services (India) Limited<br>16 <sup>th</sup> -17 <sup>th</sup> Floor<br>Phiroze Jeejeebhoy Towers<br>Dalal Street<br>Mumbai – 400 001. |
|--|---|

- Listing fee for Equity shares for the year 2016-2017 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 2016-17 have been paid to National Securities Depository Ltd. (NSDL) and Central Depository Services (India) Ltd. (CDSL)

10. Stock Code / Symbol

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

## 11. (a) Market Price Data (In Rs.)

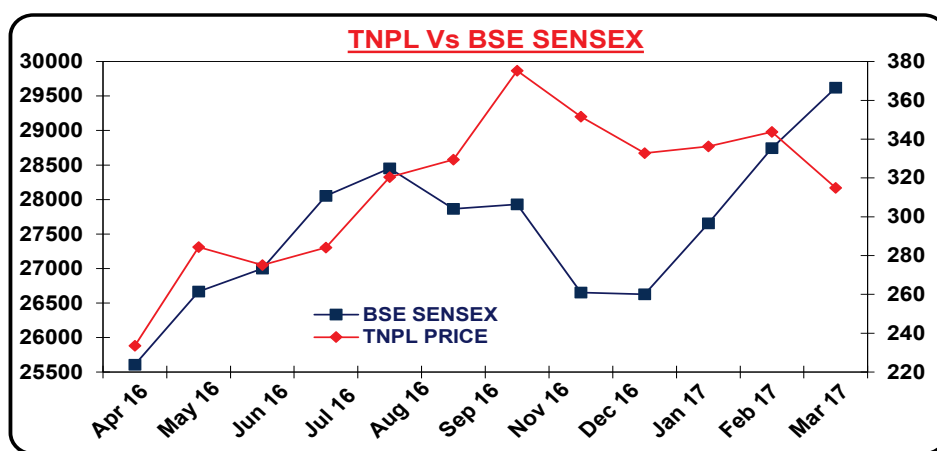
| Month/Year     | Bombay Stock Exchange (BSE) |           |           | National Stock Exchange (NSE) |           |           |
|----------------|-----------------------------|-----------|-----------|-------------------------------|-----------|-----------|
|                | High Price                  | Low Price | Volume    | High Price                    | Low Price | Volume    |
| April 2016     | 242.80                      | 218.00    | 3,60,306  | 242.85                        | 217.65    | 25,12,261 |
| May 2016       | 287.50                      | 230.30    | 8,36,060  | 287.65                        | 231.60    | 55,42,070 |
| June 2016      | 292.00                      | 258.00    | 5,70,700  | 291.90                        | 257.95    | 32,80,813 |
| July 2016      | 308.00                      | 259.80    | 7,79,811  | 308.00                        | 260.35    | 44,55,796 |
| August 2016    | 345.00                      | 280.10    | 8,07,745  | 344.90                        | 276.30    | 40,68,979 |
| September 2016 | 347.70                      | 313.85    | 5,23,587  | 346.95                        | 313.05    | 23,39,252 |
| October 2016   | 392.45                      | 328.40    | 6,31,666  | 392.35                        | 324.00    | 41,02,882 |
| November 2016  | 385.00                      | 315.05    | 4,88,176  | 385.35                        | 315.00    | 27,55,728 |
| December 2016  | 359.35                      | 322.45    | 2,82,756  | 359.70                        | 321.05    | 17,78,727 |
| January 2017   | 358.00                      | 331.15    | 2,77,041  | 356.80                        | 331.20    | 16,20,022 |
| February 2017  | 368.05                      | 334.25    | 3,88,742  | 367.00                        | 335.00    | 23,89,136 |
| March 2017     | 363.00                      | 312.60    | 12,88,494 | 363.50                        | 313.00    | 50,97,546 |

## 11. (b) Market Capitalization (Rs.)

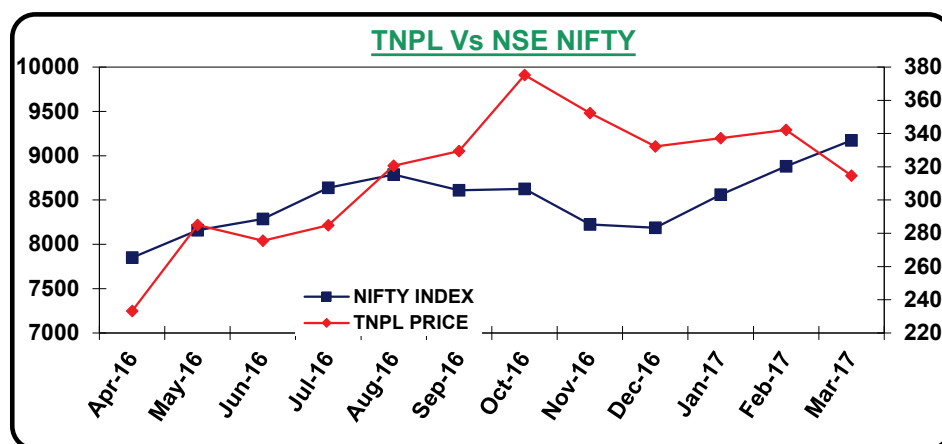
| Market Capitalization | BSE             | NSE             |
|-----------------------|-----------------|-----------------|
| As on March 31, 2016  | 15,13,63,58,220 | 15,12,25,16,100 |
| As on March 31, 2017  | 21,79,44,17,940 | 21,77,71,15,290 |

## 12. Share price performance in comparison to broad based indices – BSE Sensex and NSE Nifty : For the years 2015-16 to 2016-17:

| 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 |
| 2015-2016 | (+) 76.87                    | (-) 9.36           | (+) 86.23               | (+) 73.21                    | (-) 8.86          | (+) 82.07              |
| 2016-2017 | (+) 43.99                    | (+) 16.88          | (+) 27.11               | (+) 44.00                    | (+) 18.55         | (+) 25.45              |
| 2015-2017 | (+) 154.67                   | (+) 5.95           | (+) 148.72              | (+) 149.43                   | (+) 8.04          | (+) 141.39             |



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



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

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

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

14. Share Transfer System:

- a) Share Transfers : The shares of the Company, being in the compulsory demat list are transferable through the depository system. Shares in physical form are processed and the Share Certificates are generally returned within a period of 15 days from the date of receipt.

All transfers/ transmissions/ remat received are processed and approved by the Share Transfer Committee which normally meets twice/ thrice in a month. Shares under objection are returned within two weeks.

- b) Nomination facility for shareholding : As per the provisions of the amended Companies Act 2013, facility for making nomination is available for shareholders in respect of shares held by them. Nomination forms can be obtained from the share transfer agent.

- c) Payment of dividend through National Electronic Clearing Services (NECS) : As per RBI notification, with effect from 1<sup>st</sup> October 2009, the remittance of dividend through Electronic Clearing Service (ECS) is replaced by National Electronic Clearing Service (NECS).

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

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

- d) Unclaimed dividends : The company is required to transfer dividends which have remained unpaid/unclaimed for a period of seven years to the Investor Education & Protection Fund (IEPF) established by the Government. The Company will accordingly be required to transfer the dividend in the year 2017 for the year ended 31<sup>st</sup> March, 2010 which has remained unclaimed / unpaid. Before transferring the monies to IEPF, individual letters are sent to those Members whose unclaimed dividends are due for transfer so as to enable them to claim the dividends before the due date. The information on unclaimed dividend is also posted on the website of the Company [www.tnpl.com](http://www.tnpl.com).

Details of dividend pending to the Unpaid / Unclaimed Dividend Account as on 31<sup>st</sup> March, 2017:

| Sl. No. | Year                 | Amount (Rs.) | % to the total dividend |
|---------|----------------------|--------------|-------------------------|
| 1.      | For the year 2009-10 | 1080148.50   | 0.35%                   |
| 2.      | For the year 2010-11 | 1091730.00   | 0.32%                   |
| 3.      | For the year 2011-12 | 1143785.00   | 0.33%                   |
| 4.      | For the year 2012-13 | 1304685.00   | 0.38%                   |
| 5.      | For the year 2013-14 | 1671798.00   | 0.40%                   |
| 6.      | For the year 2014-15 | 1675440.00   | 0.40%                   |
| 7.      | For the year 2015-16 | 1992037.50   | 0.38%                   |

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

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

| Particulars                   | Date of Warrant | Due Date for Transfer | Date of Transfer | Amount transferred Rs. |
|-------------------------------|-----------------|-----------------------|------------------|------------------------|
| 1. Dividend :-2008-09 (Final) | 10.09.2009      | 14.11.2016            | 11.11.2016       | 7,59,605.00            |
| <b>TOTAL</b>                  |                 |                       |                  | <b>7,59,605.00</b>     |

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

Pursuant to the provisions of Section 124 and 125 of the Companies Act 2013 and the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, all shares on which dividend has not been paid or claimed for seven consecutive years or more shall be transferred to an IEPF suspense account. The Company has initiated the process and issued individual notices to the concerned equity shareholders, who have not claimed their dividends for the last seven consecutive years. As required under the said Rules, the Company has also published a Notice in the newspapers inviting the Members attention to the aforesaid Rules. The Company has also uploaded full details of such shares due for transfer as well as unclaimed dividends on the website of the company. Both the unclaimed dividends and the shares transferred to the IEPF can be claimed back by the concerned shareholders from IEPF Authority after complying with the procedure prescribed under the "Rules" as mentioned in the Guidelines below.

With effect from September 7, 2016, Investors / Depositors whose unpaid dividends, matured deposits or debentures etc. were transferred to IEPF under Companies Act, 1956 and/or Companies Act, 2013 can claim the amounts as per the following procedures/guidelines:

**Guidelines for Investors to file claim**

- Download the Form IEPF-5 from the website of IEPF (<http://www.iepf.gov.in>) for filing the claim for refund. Read the instructions provided on the website/instruction kit alongwith the e-form carefully before filling the form.
- After filling the form, save it on your computer and submit the duly filled form by following the instructions given in the upload link on the website. On successful uploading, an acknowledgement will be generated indicating the SRN. Please note down the SRN details for future tracking of the form.

- c) Take a print out of the duly filled IEPF-5 and the acknowledgement issued after uploading the form.
- d) Submit an indemnity bond in original, copy of the acknowledgement and self attested copy of e-form alongwith the other documents as mentioned in the Form IEPF-5 to the Nodal Officer (IEPF) of the Company at its Registered Office in an envelope marked "Claim for refund from IEPF Authority". Kindly remember that submission of documents to the Company is necessary to initiate the refund process.
- e) Claim forms completed in all respects will be verified by the concerned Company and on the basis of Company's Verification Report, refund will be released by the IEPF Authority in favour of claimants' Aadhar linked bank account through electronic transfer. The Nodal Officer of the Company for IEPF Refunds Process is Mr V. Sivakumar whose e-mail id is sivakumar.vs@tnpl.co.in

Members who have not encashed their dividend warrants in respect of dividends declared for the year ended 31<sup>st</sup> March 2010 and for any financial year thereafter may contact the company and surrender their warrants for payment. Members are requested to note that the dividend not claimed for a period of seven years from the date they first became due for payment shall be transferred to Unpaid Dividend Account of respective year shall be transferred to Investor Education and Protection Fund (IEPF) in terms of Section 125 of the Companies Act, 2013.

- f) Correspondence regarding change of address:

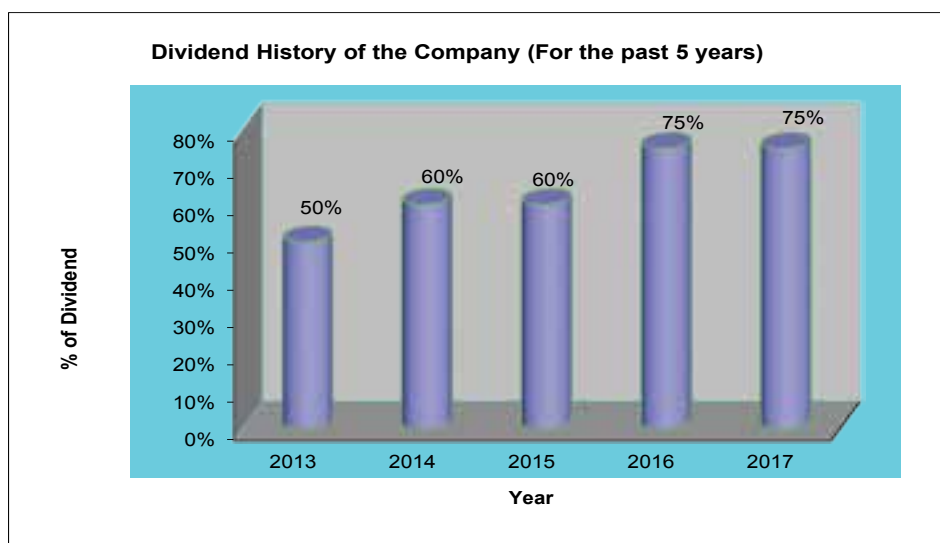
Shareholders are requested to ensure that any correspondence for Change of Address, change in Bank Mandates etc. should be signed by the first named shareholder. Shareholders who hold shares in dematerialized form should correspond with the Depository participant with whom they have opened Demat Account/s.

- g) Pending Investors' Grievances:

Any shareholder whose grievance has not been resolved to his/her satisfaction may kindly write to the Company Secretary at the Registered Office with a copy of the earlier correspondence.

## 15. Dividend Details

| Financial Year | Dividend % | Total Dividend (Rs. in Lakhs) |
|----------------|------------|-------------------------------|
| 2012-13        | 50%        | 3460.53                       |
| 2013-14        | 60%        | 4152.64                       |
| 2014-15        | 60%        | 4152.64                       |
| 2015-16        | 75%        | 5190.80                       |
| 2016-17        | 75%        | 5190.80                       |



**16. Distribution of Shareholding as on 31<sup>st</sup> March, 2017****DISTRIBUTION SCHEDULE AS ON 31<sup>ST</sup> MARCH 2017**

| Category (Amount)  | No. of. Cases | % of Cases | Total Shares    | Amount           | % of Amount   |
|--------------------|---------------|------------|-----------------|------------------|---------------|
| 1 - 5000           | 28902         | 89.05      | 2923182         | 29231820         | 4.22          |
| 5001 - 10000       | 1591          | 4.90       | 1319037         | 13190370         | 1.90          |
| 10001 - 20000      | 886           | 2.73       | 1370492         | 13704920         | 1.98          |
| 20001 - 30000      | 287           | 0.88       | 742027          | 7420270          | 1.07          |
| 30001 - 40000      | 131           | 0.40       | 469371          | 4693710          | 0.68          |
| 40001 - 50000      | 145           | 0.45       | 683394          | 6833940          | 0.99          |
| 50001 - 100000     | 214           | 0.66       | 1588658         | 15886580         | 2.30          |
| 100001 - And Above | 302           | 0.93       | 60114439        | 601144390        | 86.86         |
| <b>Total :</b>     | <b>32458</b>  | <b>100</b> | <b>69210600</b> | <b>692106000</b> | <b>100.00</b> |

**DISTRIBUTION OF SHAREHOLDING AS ON 31.3.2017**

|           | CATEGORY   | NO. OF HOLDERS | NO. OF SHARES   | PERCENTAGE    |
|-----------|--|----------------|-----------------|---------------|
| <b>A</b>  | <b>PROMOTERS' HOLDING</b>  |                |                 |               |
| 1         | Promoters  |                |                 |               |
|           | - Indian Promoters   | 1              | 24444900        | 35.32         |
|           | - Foreign Promoters  |                | Nil             | Nil           |
| 2         | Persons acting in Concert  |                | ---             | ---           |
|           | <b>SUB-TOTAL</b>   | <b>1</b>       | <b>24444900</b> | <b>35.32</b>  |
| <b>B.</b> | <b>NON-PROMOTERS' HOLDING</b>  |                |                 |               |
| 1.        | Indian Financial Institutions  | 1              | 405168          | 0.59          |
| 2.        | Mutual Funds and UTI   | 32             | 4489111         | 6.49          |
| 3.        | Banks, Financial Institutions, Insurance Companies, (Central/State Govt. Institutions/Non-Government Institutions) | 19             | 12549960        | 18.13         |
| 4         | Foreign Institutional Investors  | 6              | 160564          | 0.23          |
| 5         | FPI  | 72             | 8338437         | 12.05         |
|           | <b>SUB-TOTAL</b>   | <b>130</b>     | <b>25943240</b> | <b>37.48</b>  |
| <b>C</b>  | <b>OTHERS</b>  |                |                 |               |
| 1         | Private Corporate Bodies   | 643            | 3493134         | 5.05          |
| 2         | Indian Public  | 30712          | 14302356        | 20.66         |
| 3         | NRIs/OCBs  | 719            | 751748          | 1.09          |
| 4         | Others   | 253            | 275222          | 0.40          |
|           | <b>SUB-TOTAL</b>   | <b>32327</b>   | <b>18822460</b> | <b>27.20</b>  |
|           | <b>GRAND TOTAL (A+B+C)</b>   | <b>32458</b>   | <b>69210600</b> | <b>100.00</b> |

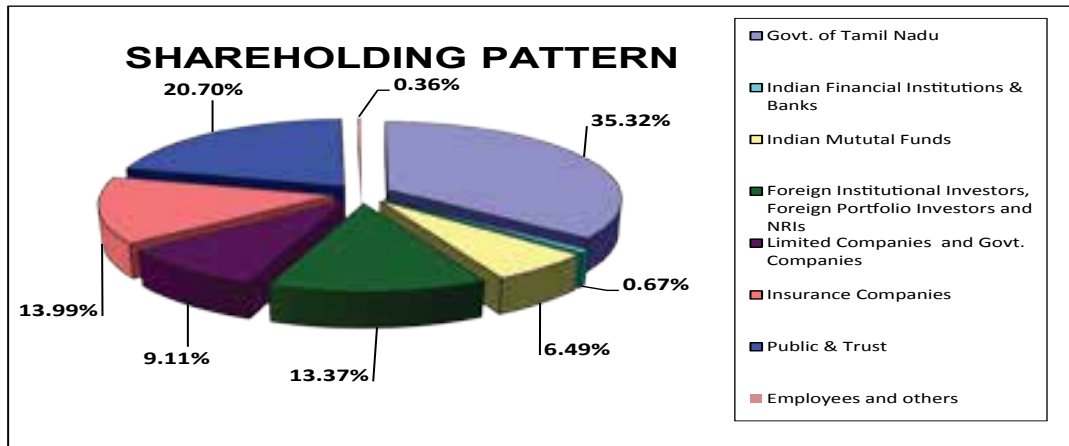


**LIST OF TOP TEN SHAREHOLDERS AS ON 31<sup>ST</sup> MARCH, 2017**

| Sl. no. | Name of the Shareholder(s)  | Shares   | %     |
|---------|---|----------|-------|
| 1       | Governor of Tamil Nadu  | 24444900 | 35.32 |
| 2       | Life Insurance Corporation of India                                     | 6305949  | 9.11  |
| 3       | General Insurance Corporation of India                                  | 2110074  | 3.05  |
| 4       | Sundaram Mutual Fund A/C Sundaram Select Midcap                         | 1808919  | 2.61  |
|         | Sundaram Mutual Fund A/C Sundaram Rural India Fund                      | 48421    | 0.07  |
|         | Sundaram Mutual Fund A/C Sundaram Monthly Income Plan - Aggressive Plan | 9258     | 0.01  |
|         | Sundaram Mutual Fund A/C Sundaram Value Fund Series – II                | 3703     | 0.01  |
|         | Sundaram Mutual Fund A/C Sundaram Select Microcap Series VIII           | 14841    | 0.02  |
|         | Sundaram Mutual Fund A/C Sundaram Select Microcap Series IX             | 7623     | 0.01  |
|         | Sundaram Mutual Fund A/C Sundaram Select Microcap Series X              | 4837     | 0.01  |
| 5       | Government Pension Fund Global  | 1770000  | 2.56  |
| 6       | HDFC Trustee Company Limited A/C HDFC Balanced Fund                     | 1498000  | 2.16  |
|         | HDFC Trustee Co Ltd- HDFC Multiple Yield Fund- Plan 2005                | 25000    | 0.04  |
|         | HDFC Trustee Co Ltd A/C HDFC Retirement Savings Fund-Hybrid-Equity Plan | 38000    | 0.05  |
|         | HDFC Trustee Co Ltd A/C HDFC Retirement Savings Fund-Hybrid-Debt Plan   | 5000     | 0.01  |
|         | HDFC Trustee Co Ltd A/C HDFC Retirement Savings Fund-Equity Plan        | 100000   | 0.14  |
| 7       | Warburg Value Fund  | 1300000  | 1.88  |
| 8       | L and T Mutual Fund Trustee Ltd- L and T India Value Fund               | 875160   | 1.26  |
| 9       | United India Insurance Company Limited                                  | 773213   | 1.12  |
| 10      | Anil Kumar Goel   | 750000   | 1.08  |
|         | Anil Kumar Goel   | 150000   | 0.22  |

**SHAREHOLDING PATTERN**

| SL. No. | Category  | Shareholding Pattern As on 31 <sup>st</sup> March, 2017 |                  |               | Shareholding Pattern As on 31 <sup>st</sup> March, 2016 |                  |            |
|---------|---|---|------------------|---------------|---|------------------|------------|
|         |   | Number of Shareholders                                  | Number of Shares | %             | Number of Shareholders                                  | Number of Shares | %          |
| 1       | Governor of Tamil Nadu  | 1   | 24444900         | 35.32         | 1   | 24444900         | 35.32      |
| 2       | Foreign Institutional Investors and Foreign Portfolio Investors | 78  | 8499001          | 12.28         | 57  | 7449726          | 10.76      |
| 3       | Indian Mutual Funds   | 32  | 4489111          | 6.49          | 27  | 3845490          | 5.56       |
| 4       | Banks   | 5   | 57871            | 0.08          | 6   | 47958            | 0.07       |
| 5       | Financial Institutions  | 1   | 405168           | 0.59          | 1   | 495168           | 0.72       |
| 6       | Insurance Companies   | 5   | 9683509          | 13.99         | 5   | 9593509          | 13.86      |
| 7       | Govt. Companies   | 9   | 2808580          | 4.06          | 9   | 2808580          | 4.06       |
| 8       | Employees   | 148   | 27000            | 0.04          | 154   | 28100            | 0.04       |
| 9       | Limited Companies   | 643   | 3493134          | 5.05          | 627   | 4230637          | 6.11       |
| 10      | NRIs  | 719   | 751748           | 1.09          | 593   | 922281           | 1.33       |
| 11      | Public & Trust  | 30716   | 14328787         | 20.70         | 28480   | 15082604         | 21.79      |
| 12      | Shares Dematerialised/ Shares in Transit                        | 101   | 221791           | 0.32          | 123   | 261647           | 0.38       |
|         | <b>Total</b>  | <b>32458</b>  | <b>69210600</b>  | <b>100.00</b> | <b>30083</b>  | <b>69210600</b>  | <b>100</b> |

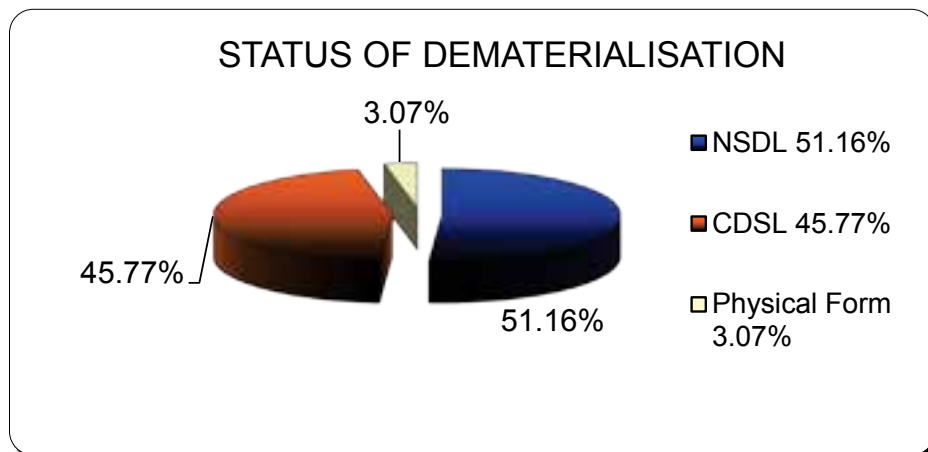


17. Dematerialisation of Shares and liquidity : For Dematerialisation of Equity shares, the Company has entered into a tripartite agreement with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The Company's Equity shares have been included in the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

Details of Physical & Demat shares as at 31<sup>st</sup> March, 2017:

| Category     | No. of Shareholders | No. of Shares   | % to Capital  |
|--------------|---------------------|-----------------|---------------|
| PHYSICAL     | 3540                | 2124571         | 3.07          |
| NSDL         | 19011               | 35406515        | 51.16         |
| CDSL         | 9907                | 31679514        | 45.77         |
| <b>TOTAL</b> | <b>32458</b>        | <b>69210600</b> | <b>100.00</b> |

From the above table, as on 31<sup>st</sup> March 2017, there are 6,70,86,029 shares in demat form aggregating to 96.93% of the total Equity Share capital while 21,24,571 shares are in Physical form aggregating to 3.07% of the total Equity Share capital.



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

## 19. Credit Rating:

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

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

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

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

- (i) Long term facilities - CARE A+ (Pronounced Single A plus)
- (ii) Short term facilities - CARE A1 (Pronounced A one)

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

## 20. Plant locations:

**UNIT I :**

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

**UNIT II :**

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

## 21. Address for correspondence:

- (a) Investor correspondence for transfer/dematerialisation of shares, payment of dividend on shares, and any other query relating to the shares of the company : M/s Cameo Corporate Services Ltd.  
V Floor, "Subramanian Building"  
No.1 Club House Road  
Chennai – 600 002.  
Tel.No.044-28460390 - 28460395  
Fax No.044-28460129  
E-mail ID : investor@cameoindia.com cameo@cameoindia.com  
Contact Person : Thiru D Narasimhan Joint Manager
- (b) Any query on Annual Report : Shares Department  
Tamil Nadu Newsprint and Papers Ltd.  
67, Mount Road, Guindy, Chennai – 600 032.  
Tel.No.22354417 Fax No. 22350834 & 22354614  
e-mail address : sivakumar.vs @tnpl.co.in,  
invest\_grievances@tnpl.co.in  
Contact Person : Thiru V Sivakumar, Company Secretary
- (c) E-mail ID of Investor Grievances Section : invest\_grievances@tnpl.co.in
- (d) Name of the Compliance Officer : Thiru V Sivakumar, Company Secretary

## 22. Request to Investors

- Investors are requested to communicate change of address, if any, directly to the share transfer agent of the company at the above address

- To avoid the incidence of fraudulent encashment of dividend warrants, members are requested to intimate the company under the signature of the Sole/First Joint holder, the following information so that the bank account number and name and address of the bank can be printed on the dividend warrants:
  - Name of Sole/First Joint holder and Folio number
  - Particulars of bank account viz.
    - Name of bank
    - Name of branch
    - Complete address of bank with PINCODE
    - Account type, whether Savings Bank(SB) or Current Account(CA)
    - Bank account number
- The shareholders are requested to dematerialize their physical share certificates, through a depository participant. Shareholders requiring any further clarification/ assistance on the subject may contact the company's share transfer agent.
- The mandate, if given by the Members in respect of shares held in physical form will not be applicable to the dividend payable on shares held by them in demat mode and vice versa. Members holding shares in demat mode must, therefore give instructions regarding the bank account in which they wish to receive dividend to their DPs.
- Members holding shares in demat form are requested to incorporate the DP Id number and Client Id Number in the Attendance Slip/ Proxy form for easy identification of attendance at the meeting.
- There are chances of fraudulent transactions taking place in relation to dormant folios, where the shareholder has either expired or has changed his residence. Hence investors are requested to exercise due diligence and notify us of any change in address or demise of any shareholder as soon as possible. Investors are requested not to leave their demat account dormant for long. Periodic statement of holdings should be obtained from the concerned DP and holdings should be verified. Investors are also requested not to disclose your Folio No. / DP.Id. to an unknown person and not to hand over signed blank transfer deeds/delivery instruction slips to any unknown person.
- Investors must ensure that they deal with only SEBI registered intermediaries and must obtain a valid contract note/ confirmation memo from the broker/sub-broker, within 24 hours of execution of the trade and it should be ensured that the contract note/confirmation memo contains order no., trade no., trade time, quantity, price and brokerage.
- Investors should register their mobile numbers with DPs for SMS alert facility. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) proactively inform investor of transaction in the demat account by sending SMS. Investors will be informed about debits and credits to their demat account without having to call up their DPs and investors need not wait for receiving Transaction Statements from DPs to know about the debits and credits.
- Correspondence containing certificates of securities and high value dividend/interest warrants should be sent by registered post/courier or lodged with the Company`s Secretarial Department by hand delivery.
- Investors are requested to kindly note that any dividend which remains unencashed for a period of seven years will get transferred to "Investors Education and Protection Fund" in terms of Section 125 of the Companies Act, 2013.

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

| Year    | Dividend type | Dividend (%) | Date of declaration | Due for transfer to IEPF |
|---------|---------------|--------------|---------------------|--------------------------|
| 2009-10 | Final         | 45           | 08.09.2010          | 13.11.2017               |
| 2010-11 | Final         | 50           | 15.09.2011          | 20.11.2018               |
| 2011-12 | Final         | 50           | 21.09.2012          | 26.11.2019               |
| 2012-13 | Final         | 50           | 19.09.2013          | 24.11.2020               |
| 2013-14 | Final         | 60           | 15.09.2014          | 20.11.2021               |
| 2014-15 | Final         | 60           | 18.09.2015          | 23.11.2022               |
| 2015-16 | Final         | 75           | 28.09.2016          | 03.12.2023               |

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

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

The CMD is an executive director in the company.

**2. Shareholders' Rights**

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

The quarterly financial results are announced within 45 days from the close of the respective quarter. However, in case of the last quarter, the quarterly results and the annual results are announced within 60 days from the close of the quarter. The results are published in leading newspapers. The financial results, press releases and other major events/ developments concerning the company are also posted on the company's website [www.tnpl.com](http://www.tnpl.com)

The half-yearly results of the company are published in more than one English newspaper having a wide circulation and in one Tamil Newspaper having wide circulation. The results are not sent to the shareholders individually.

**3. Audit qualifications**

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

**4. Separate posts of Chairman and CEO**

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

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

**5. Reporting of Internal Auditor**

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

The Internal Auditor may report directly to the Audit Committee and the report on findings of Internal Audit are submitted to the Audit Committee periodically. This is the practice being followed.

**Compliance with the Corporate Governance Voluntary Guidelines 2009**

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

For and on behalf of the Board

Place: Chennai  
Date : 29<sup>th</sup> May, 2017

**ATULYA MISRA IAS**  
CHAIRMAN

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

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

1. We have reviewed the financial statements and the cash flow statement for the year ended 31.03.2017 and that to the best of our knowledge and belief:
  - a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
  - b) these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31.03.2017 which are fraudulent, illegal or violative of the Company's code of conduct
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies
4. We have indicated to the Auditors and the Audit Committee:
  - a) that there are no significant changes in internal control over financial reporting during the year ended 31.03.2017;
  - b) that there are no significant changes in accounting policies during the year ended 31.03.2017; and
  - c) that there are no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

For **TAMIL NADU NEWSPRINT AND PAPERS LIMITED**

Place: Chennai  
Date : 29<sup>th</sup> May, 2017

**DR. R. SELVARAJ IAS**  
MANAGING DIRECTOR

**A. VELLIANGIRI**  
DY. MANAGING DIRECTOR

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

As provided under Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the period ended 31<sup>st</sup> March 2017.

For **TAMIL NADU NEWSPRINT AND PAPERS LIMITED**

Place: Chennai  
Date : 29<sup>th</sup> May, 2017

**ATULYA MISRA IAS**  
CHAIRMAN

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

1. We, Raman Associate, Chartered Accountants, the Statutory Auditors of Tamil Nadu Newsprint and Papers Limited ["the Company"], have examined the compliance of Corporate Governance by the Company, for the year ended on March 31, 2017, as stipulated in regulations 17 to 27 and clauses [b] to [i] of regulation 46 [2] and para C and D of Schedule V of the SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 ["SEBI Listing Regulations"].

**Management's Responsibility**

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

**Auditors' Responsibility**

3. Our responsibility is limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.
4. We have examined the books of account and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

**Opinion**

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 Company, there were no investors' grievances remaining unattended / pending for more than 30 days as at 31<sup>st</sup> March 2017.
6. Based on our examination of the relevant records and according to the information and explanations provided to us and the representations provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses [b] to [i] of regulation 46 [2] and para C and D of Schedule V of the SEBI Listing Regulations during the year ended March 31, 2017.
7. We further state that such compliance is neither an assurance to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For Raman Associate**

Chartered Accountants  
FRN: 002910S

**N. Raguraman**

Partner  
M. No. 202578

Place : Chennai

Date : 29<sup>th</sup> May, 2017