

ANNEXURE V

REPORT ON CORPORATE GOVERNANCE

As required by clause 49 of the Listing Agreement with the Stock Exchanges, a report on Corporate Governance in accordance with the SEBI prescribed format is given below:

A. MANDATORY REQUIREMENTS

1. Company's Philosophy

TNPL's philosophy on Corporate Governance endeavours to achieve highest levels of transparency, integrity and equity, in all its operations and in its dealings with all its stakeholders, including shareholders, employees, the Government and lenders.

2. Board of Directors

a. Composition and Category of Directors

The Composition of Board of Directors is in conformity with the Corporate Governance code.

The Board comprises ten directors, a Part-time Chairman (Non-Executive Director, nominated by Government of Tamil Nadu), Managing Director (nominated by Government of Tamil Nadu), one Executive Director, two non-executive Directors nominated by the Government of Tamil Nadu and five independent, non-executive Directors as on 31.03.2008. 80% are Non-executive directors and 50% are Independent directors.

Board's definition of Independent director

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

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

Based on the above test of independence, Tvl. V.R.Mehta, R.R.Bhandari, V.Narayanan, N.Kumaravelu and R.L.Narasimhan are categorized as independent directors.

The Independent Directors on the Board are experienced, competent and highly respected persons from their respective fields. They take active part in the Board and Committee meetings. None of the Directors on the Board is a Member on more than 10 Committees. Necessary disclosures have been made by the Directors in this regard.

Board's functioning and Procedure

The Board plays a pivotal role in ensuring good governance. The Board's role, functions, responsibility and accountability are clearly defined. In addition to its primary role of setting corporate goals and monitoring corporate performance, it directs and guides the activities of the Management towards the set goals and sets accountability with a view to ensure that the corporate philosophy and mission viz. to create long term sustainable growth that translates itself into progress, prosperity and the fulfillment of stakeholders' aspirations is accomplished. It also sets standards of corporate behaviour and ensures ethical behaviour at all times and strict compliance with laws and regulations.

b. Attendance of each Director at the Board of Directors' Meetings held during 2007-2008 and the last AGM is as follows:

Director	Board of Directors' Meetings		Last AGM
	No. of Meetings Held	Attended	(held on 31.8.07) Attended
EXECUTIVE DIRECTORS			
Tvl.			
V Murthy IAS Managing Director (Retired w.e.f.31.1.08)	6	6	Attended
Md.Nasimuddin IAS Managing Director (Appointed w.e.f.21.2.08)	1	1	—
A Velliangiri Deputy Managing Director	7	7	Attended
NON-EXECUTIVE DIRECTORS FROM GOTN			
Shaktikanta Das IAS (Part-time Chairman – Ceased w.e.f.3.11.07)	4	4	Attended
M F Farooqui IAS (Part-time Chairman w.e.f.22.11.07)	3	3	—
Atulya Misra IAS (Appointed w.e.f.25.3.08)	1	1	—
Sandeep Saxena IAS (Ceased w.e.f.25.3.08)	7	3	Attended
K Phanindra Reddy IAS (Ceased w.e.f.6.12.07)	4	3	Not attended
Tmt.Anita Praveen IAS (Appointed w.e.f.6.12.07)	3	3	—
INDEPENDENT NON-EXECUTIVE NOMINEE DIRECTORS FROM IDBI (EQUITY INVESTOR)			
R S Agarwal (ceased w.e.f. 18.6.07)	1	1	—
INDEPENDENT NON-EXECUTIVE DIRECTORS			
V R Mehta	7	7	Attended
V Narayanan	7	7	Attended
R R Bhandari	7	7	Attended
N Kumaravelu	7	7	Attended
R L Narasimhan	7	6	Attended

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

Name of Director	Category	Directorships held in other Companies		Committee Memberships Held in other Companies	
		As Director	As Chairman	As Member	As Chairman
Tvl.					
M F Farooqui IAS	Non-Executive	6	2	—	—
Md.Nasimuddin IAS	Executive	1	—	—	—
Tmt.Anita Praveen, IAS	Non-Executive	6	—	—	—
Atulya Misra IAS	Non-Executive	—	2	—	2
V R Mehta	Non-Executive	5	—	—	—
V Narayanan	Non-Executive	9	2	6	3
R L Narasimhan	Non-Executive	2	—	—	—
R R Bhandari	Non-Executive	—	—	—	—
N Kumaravelu	Non-Executive	2	—	—	—
A Velliangiri	Executive	—	—	—	—

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

Seven Board Meetings were held during the year 2007-2008 as against the minimum requirement of four meetings. The dates on which the meetings were held are given below:

2.6.07, 18.7.07, 31.8.07, 27.10.07, 6.12.07, 22.1.08, 25.3.08

e. Information placed before the Board of Directors

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

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

17. Details of investment of surplus funds available with the company
18. General disclosure of interest

f. Post Meeting Follow-up Mechanism

The guidelines for Board and Committee meetings facilitate an effective post-meeting follow-up, review and reporting process for the decisions taken in the Board and the Committee meetings. 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, 1956 read with the rules issued thereunder and to the extent feasible, the Secretarial Standards recommended by the Institute of Company Secretaries of India, New Delhi.

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

Particulars of Directors being appointed at the Annual General Meeting and Directors retiring by rotation and seeking reappointment have been given in the Notice convening the 28th Annual General Meeting along with the Explanatory Statement.

3. Audit Committee

a. Terms of reference

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

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
2. Recommending to the Board the appointment, reappointment and if required, the replacement or removal of the statutory auditors and fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to :
 - a. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956
 - b. Changes, if any, in accounting policies and practices and reasons for the same
 - c. Major accounting entries involving estimates based on the exercise of judgment by management
 - d. Significant adjustments made in the financial statements arising out of audit findings
 - e. Companies with listing and other legal requirements relating to financial statements
 - f. Disclosure of any related party transactions
 - g. Qualifications in the draft audit report
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval
6. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
7. Reviewing the adequacy of internal audit functions, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
8. Discussions with internal auditors any significant finding and follow-up thereon
9. Reviewing the findings of any internal investigations by the internal auditors into matter where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board

10. Discussions with statutory auditors before the audit commences, nature and scope of audit as well as have post-audit discussion to ascertain any area of concern
11. To look into the reasons for substantial default in the payment to depositors, debentureholders, shareholders (in case of non-payment of declared dividend) and creditors
12. Reviewing the company's financial and risk management policies
13. The Audit Committee should have discussions with the auditors periodically about the internal control systems, the scope of audit including the observations of the auditors and review the half yearly and annual financial statements before submission to the board and also ensure compliance of internal control systems.
14. The Audit Committee shall have authority to investigate into any matter in relation to the items specified in this section or referred to it by the Board and for this purpose, shall have full access to information contained in the records of the company and external professional advice, if necessary.
15. To review internal audit programme, to ensure co-ordination between the internal and statutory auditors , to ensure the internal audit function is adequately resourced and has appropriate standing within the company and to request internal audit to undertake specific audit projects, having informed management of their intentions.
16. Review of Cost Audit Report
17. Reviewing any other areas which may be specified as role of the Audit Committee under amendments , if any, from time to time, to the Listing Agreement, Companies Act and other statutes.
18. Considering such other matters as may be required by the Board.

The Audit Committee mandatorily reviews the following information :

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

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

b. Composition, name of members and Chairperson

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

- Thiru V Narayanan, Chairman of the Committee
- Thiru V R Mehta, Member
- Thiru R L Narasimhan, Member
- Thiru R R Bhandari, Member
- Thiru N Kumaravelu, Member

The MD, Dy.Managing Director, Senior Management Executives, Statutory Auditors, External Internal Auditors and Cost Auditors are invited to the Audit Committee meetings.

c. Meetings and attendance during the year

Director	No. of Meetings Held	Attended
Tvl.		
V Narayanan	6	6
V R Mehta	6	6
R L Narasimhan	4	4
R R Bhandari	6	6
N Kumaravelu	6	6
R S Agarwal	1	1

The Audit Committee met 6 times during 2007-08 as against the minimum requirement of 3 meetings.

4. Remuneration Committee

a. Remuneration Policy

Thiru V Murthy IAS, was appointed as Managing Director by the Government on 17.5.06. He was paid remuneration in accordance with the Govt. Rules as applicable to his cadre.

Thiru Md.Nasimuddin IAS, was appointed as Managing Director by the Government on 21.2.08. He is being paid remuneration in accordance with the Govt. Rules as applicable to his cadre.

Thiru A Velliangiri, as Director(Finance) was drawing remuneration as per TNPL Rules applicable to officers of his category till 18.12.2007. Thiru A Velliangiri, as Dy.Managing Director is drawing remuneration as per the Contractual Appointment Order dt.19.12.07, details of which were circulated to all the shareholders vide Notice dt.26.12.07 under Sec.302 of the Companies Act, 1956.

No remuneration except sitting fees for attending the Board/Committee Meetings is paid to other Directors. As such, there has been no need to constitute a Remuneration Committee.

b. Details of remuneration for the year ended 31.3.2008

Executive Directors

(Rs. in lakh)

Name & Position	Pay & Allowances	Reimbursement of medical expenses	Perquisites	Total	Retirement Benefits
Tvl.					
A Velliangiri Dy. Managing Director	23.98	0.79	2.42	27.19	Gratuity and Superannuation as per rules of the company
V Murthy IAS	4.56	0.02	0.91	5.49	As per Govt. rules applicable to his cadre
Md.Nasimuddin IAS	0.59	0.10	0.11	0.80	-do-

Non-Executive Directors

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

Name of the Director	Sitting Fees paid (Rs.)		
	Board	Audit	Investors' Grievances
Tvl.			
Shaktikanta Das IAS	40000*	—	—
M F Farooqui IAS	30000*	—	—
K Phanindra Reddy IAS	30000*	—	—
Tmt.Anita Praveen IAS	30000*	—	—
Sandeep Saxena IAS	30000*	—	—
Atulya Misra IAS	10000*	—	—
R S Agarwal	10000	10000	—
V R Mehta	70000	60000	—
V Narayanan	70000	60000	—
R R Bhandari	70000	60000	10000
N Kumaravelu	70000	60000	10000
R L Narasimhan	60000**	40000	10000
Total	520000	290000	30000

* remitted to Govt. of Tamil Nadu **remitted to LIC

Independent Directors were paid sitting fees of Rs.10000/- per meeting of the Board/ Committee of the Board.

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 their unintentional wrongful acts.

Shareholdings of Directors

None of the Directors of the company is holding any shares in the company

5. Shareholders’ Committee

a. Shareholders’/Investors’ Grievances Committee

Shareholders’ complaints/grievances are redressed by the Registrar and Transfer Agent, namely M/s. Cameo Corporate Services Limited. The Board also constituted the Shareholders’/Investors’ Grievances Committee in August 2001. The following three non-executive directors are the members in the Shareholders’/Investors’ Grievances Committee as on 31.3.2008

1. Thiru R R Bhandari Chairman of the Committee
2. Thiru N Kumaravelu Member
3. Thiru R L Narasimhan Member

The Shareholders’/Investors’ Grievances Committee met on 25th March 2008 and reviewed the grievances / complaints received and the action taken on the grievances / complaints.

Terms of reference :

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

- a. To monitor work related to:
 - transfer and/or transmission of equity shares of the company
 - dematerialisation / rematerialisation of the shares of the company
 - sub-division, consolidation and /or replacement of any share certificate(s) of the company
- b. Approval of issue of duplicate share certificates against the original share certificates
- c. To look into the redressing of shareholders’ and investors’ complaints like transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend, review of dematerialisation, rematerialisation, shareholding pattern, distribution schedules etc.
- d. To do all other acts or deeds as may be necessary or incidental thereto

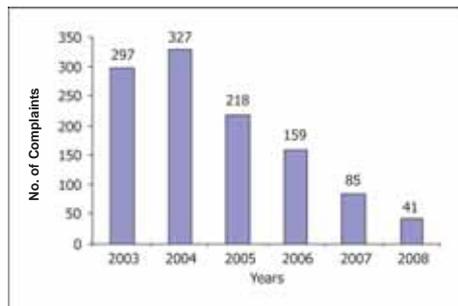
The main object of the Committee is to strengthen investor relations.

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.

Complaints Status:1.4.2007 to 31.3.2008

Correspondence in the nature of complaints from	Q1	Q2	Q3	Q4	Total
Securities and Exchange Board of India	–	–	2	–	2
Stock Exchanges	–	1	–	–	1
Shareholders	10	9	9	10	38
Total	10	10	11	10	41

Given below is the trend of share related complaints during last six years:



All the complaints received from the shareholders during the year were duly resolved. There are no complaints remaining unresolved as at the beginning and at the end of the year.

b. Share Transfer Committee

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

All valid share transfers during the year ended 31.3.08 have been acted upon. No share transfer was pending as on 31.3.08.

6. General Body Meetings

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

Year	Location	Date	Time	Special Resolution passed in the AGM by shareholders
2004-05	Music Academy Chennai 18	22.8.2005	10.25 AM	Yes
2005-06	-do-	25.8.2006	10.25 AM	No
2006-07	-do-	31.8.2007	10.25 AM	No

Postal Ballot

During the financial year 2007-08, the Special Resolution for seeking shareholders approval for amending the Object Clause of the Memorandum of Association was put through Postal Ballot. The Postal Ballot notice was sent to each shareholder as on the cut off date decided.

The Board appointed Mr.R Sridharan of M/s.R Sridharan & Associates, Practising Company Secretaries as Scrutiniser to conduct the Postal Ballot in respect of the said Special Resolution. Based on the Report submitted by the Scrutiniser, the result of the Postal Ballot was declared on 30th June 2007 and the Special Resolution was passed by a majority of 99.99% of the total valid votes polled.

Number of valid postal ballot forms received	2004
Votes in favour of the resolution	3,56,66,139
Votes against the resolution	5,156
Number of invalid postal ballot forms received	Nil

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

Secretarial Compliance Report

a. As a measure of good corporate governance practice, though not legally required, a Secretarial Audit on the compliance of corporate laws and SEBI regulations was conducted by M/s. R Sridharan & Associates, Practising Company Secretaries for the financial year ended 31st March 2008.

b. Secretarial Audit Reports

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

For the quarter ended	Furnished on
30th June 2007	12th July 2007
30th September 2007	12th Oct 2007
31st December 2007	10th Jan 2008
31st March 2008	10th April 2008

Secretarial Standards

The Institute of Company Secretaries of India has issued Secretarial Standards on Board, General Meetings, Dividend and Registers and Records that are presently recommendatory. The company's practices and procedures mostly meet with these prescriptions, wherever applicable.

Quarterly Compliance Report

The Company has submitted for each of the 4 quarters during 2007-08 the Compliance Report on Corporate Governance to stock exchanges in the prescribed format within 15 days from the close of the quarter.

7. Disclosures

- a. There are no significant Related Party Transactions during the year of material nature, with its promoters, the directors or the management or their subsidiaries or relatives etc. potentially conflicting with company's interest at large. Related Party transactions are disclosed in the notes to Accounts forming part of this Annual Report.
- b. As per Clause 49(V) of the Listing Agreement, the Chief Executive Officer i.e. Managing Director and the Chief Financial Officer i.e. Deputy Managing Director certified to the Board on their review of financial statements and cash flow statements for the financial year ended 31st March 2008 in the form prescribed by Clause 49 of the Listing Agreement which is annexed.
- c. There were no instances of non-compliance on any matter relating to the capital market during the last three years
- d. The company has complied with all Mandatory requirements of the Clause 49 of the Listing Agreement. As regards the non-Mandatory requirements, the extent of compliance has been stated in Part B of this report.
- e. Details of information on appointment of new/re-appointment of directors:
A brief resume, nature of expertise in specific functional areas, names of companies in which the person already holds directorship and membership of committees of the Board forms part of the Notice convening the 28th Annual General Meeting.
- f. Presently, the company does not have whistle blower policy.

Code of Conduct

The Board of Directors has framed the 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 has also been posted on the Company's website www.tnpl.co.in. Affirmation of compliance of Code of Conduct for the financial year 2007-08 has been received from the Directors and Senior Management personnel of the company.

8. Means of Communication

- a. Half-yearly report sent to each household of shareholders : No *
 - b. Quarterly results :
 - Newspapers published in : Financial Express
Economic Times
Business Standard
Business Line
Dinakaran
 - Website where displayed : www.tnpl.co.in
 - c. Whether the website also displays official news releases and presentations to the media, analysts, institutional investors' etc. ? : Yes
 - d. Audited financial results :
 - (Newspapers published in) : Economic Times
Business Standard
Dinakaran
 - 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.

All data required to be filed electronically as EDIFAR document pursuant to Clause 51 of the Listing Agreement with the Stock Exchanges such as quarterly financial results, shareholding pattern, are being regularly filed on the EDIFAR website, in addition to the filing of the same with the Stock Exchanges.

9. Risk Management

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

10. SHAREHOLDERS' INFORMATION

(i) Annual General Meeting

- Date and Time : August 29, 2008 at 10.25 a.m.
- Venue : The Music Academy, 168, T.T.K.Road, Chennai-600 014.

(ii) Financial Year Calendar (2008-2009) (Tentative)

- : Results for quarter ending June 30, 2008 Fourth week of July 2008
- : Results for quarter ending September 30, 2008 Fourth week of October 2008.
- : Results for quarter ending December 31, 2008 Fourth week of January 2009.
- : Results for quarter ending March 31, 2009 second week of May 2009.

(iii) Book closure date

- : 20.08.2008 to 29.08.2008 (both days inclusive) on account of AGM and Dividend.

(iv) Dividend payment date

- : 01-09-2008 onwards.

(v) Listing of Equity Shares on

- (a) Stock Exchanges at
- : (1) National Stock Exchange of India Limited
Plot No.C/1, G Block
Bandra-Kurla Complex
Bandra (E)
Mumbai 400 051
 - : (2) Mumbai Stock Exchange,
Listing Department
Phiroze Jeejeebhoy Towers
25th Floor
Dalal Street
Mumbai 400 001

(b) Depositories

- : 1) National Securities Depository Ltd.
Trade World, 4th Floor
Kamala Mills Compound
Senapati Bapat Marg
Lower Parel, Mumbai - 400 013.
- : 2) Central Depository Services (India) Limited
28th Floor, Phiroze Jeejeebhoy Towers
Dalal Street, Fort, Mumbai - 400 023.

Listing fee for the year 2008-2009 has been paid to the above Stock Exchanges.

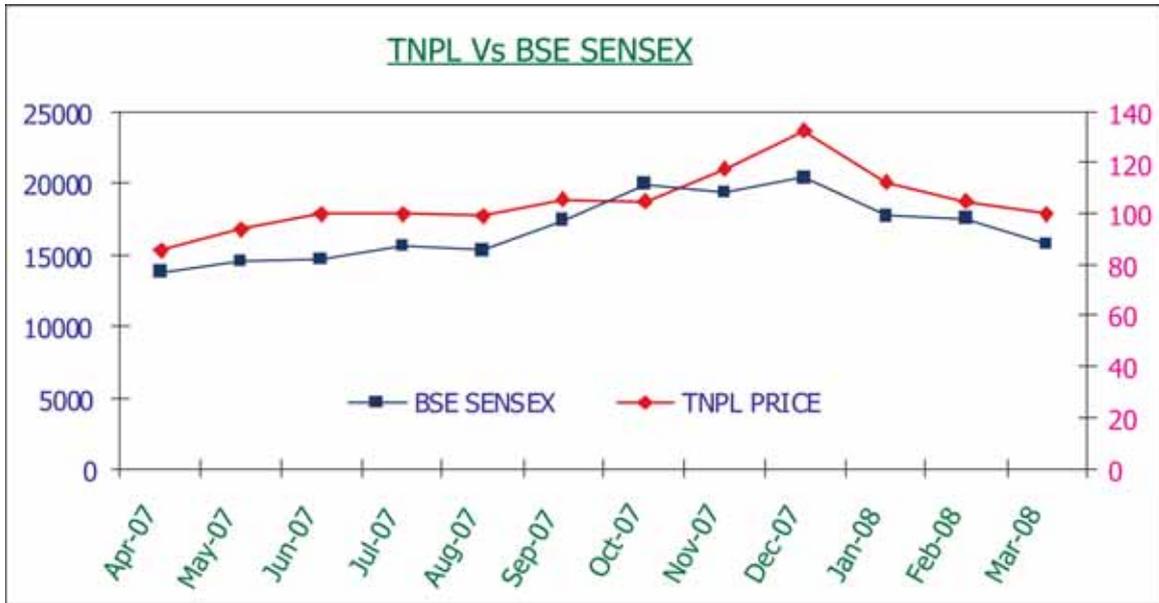
- (vi) Stock Code
- : Trading Symbol Bombay Stock Exchange : "TNPL 531426"
 - : Trading Symbol National Stock Exchange : "TNPL EQ"
 - : Trading Symbol National Stock Exchange (Demat Segment) : "TNPL AE/"
 - : "TNPL BE"

(vii) Market Price Data (In Rs.)

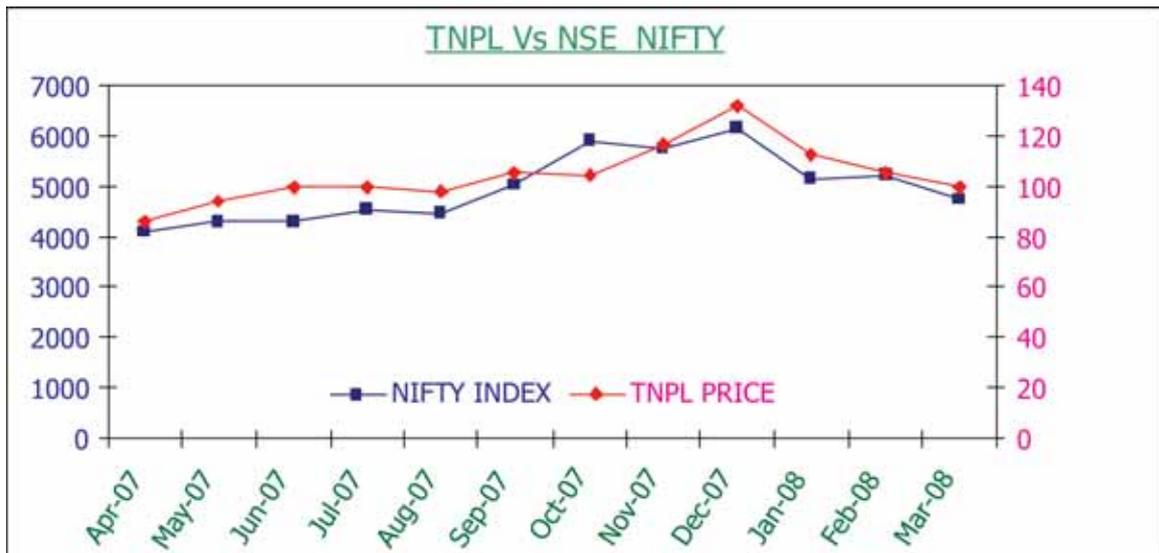
	Bombay Stock Exchange (BSE)			National Stock Exchange (NSE)		
	High Price	Low Price	Volume	High Price	Low Price	Volume
April 2007	92.20	82.00	265638	91.50	81.00	637693
May 2007	101.00	83.50	2355326	99.40	73.55	3271263
June 2007	103.00	92.05	3310020	103.00	92.00	4538318
July 2007	103.90	96.30	783696	103.90	95.00	1858693
August 2007	103.00	94.70	729496	102.90	94.50	1054275
September 2007	120.00	98.00	912428	118.00	98.60	1669293
October 2007	109.95	95.35	1115771	117.00	94.00	2102021
November 2007	137.00	101.40	2482031	138.90	100.60	2832200
December 2007	137.25	118.00	2176717	150.00	118.80	2830811
January 2008	147.00	87.95	2089569	145.00	88.00	2462707
February 2008	115.50	99.00	437004	116.00	100.00	716956
March 2008	115.00	83.00	729880	110.00	83.50	2305774

(viii) Share price performance in comparison to broad based indices - BSE Sensex and NSE Nifty :

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
1-4-2007 to 31-3-2008	19.77 %	(+) 19.68 %	0.09 %	20.02%	23.89 %	(-) 3.87%



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



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

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

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

M/s Cameo Corporate Services Ltd.
V Floor, "Subramanian Building"
No.1 Club House Road
Chennai - 600 002
Tel.No.044-28460390 - 28460394
Fax No.044-28460129
E-mail ID : cameo@cameoindia.com

- (x) Share Transfer System :

- (i) Share Transfers : The shares of the Company, being in the compulsory demat list, are transferable through the depository system. Shares in physical form are processed and the share certificates are generally returned within a period of 7 days from the date of receipt.

As per the Guidelines of SEBI/Stock Exchanges, a Demat Option Letter is sent to the transferees, seeking their option, as to whether the shares transferred in their name, would be demated by them or they would like to hold the shares, in physical form. After 30 days time, if the Demat Request Form is not received alongwith the Demat Option Letter, duly accepted, physical share certificates are despatched to the transferees.

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

- (ii) Nomination facility for shareholding : As per the provisions of the amended Companies Act 1956, facility for making nomination is available for shareholders in respect of shares held by them. Nomination forms can be obtained from the share transfer agent.

- (iii) Payment of dividend through Electronic Clearing Services : The Securities and Exchange Board of India (SEBI) has made it mandatory for all companies to use the bank account details furnished by the depositories for depositing dividends through Electronic Clearing Service (ECS) to the Investors wherever ECS and Bank details are available. In the absence of ECS facility the Company is required to print the Bank account details if available on payment instruments for distribution of dividend etc. to the shareholders.

- (iv) Unclaimed dividends : The company is required to transfer dividends which have remained unpaid/unclaimed for a period of seven years to the Investor Education & Protection Fund established by the Government. The Company will accordingly be required to transfer in the year 2008 the dividend for the year ended March 31, 2001 which have remained unclaimed/unpaid.

- (v) Details of dividend pending to the Unpaid/Unclaimed Dividend Account as on March 31, 2008 :

a. For the year 2000-2001	:	Rs. 6,04,625
b. For the year 2001-2002	:	Rs. 5,71,390
c. For the year 2002-2003	:	Rs. 5,83,960
d. For the year 2003-2004	:	Rs. 5,69,262
e. For the year 2004-2005	:	Rs 5,90,683
f. For the year 2005-2006 (Interim)	:	Rs. 5,59,921
g. For the year 2005-2006 (Final)	:	Rs.3,98,395
h. For the year 2006-2007 (Interim)	:	Rs.4,27,078
i. For the year 2006-2007 (Final)	:	Rs.7,42,265
j. For the year 2007-2008 (Interim)	:	Rs.5,56,156

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

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

(xi) Dividend History (Last 10 Years)

Financial Year	Dividend %	Total Dividend (Rs. in Lakhs)
1998-99	12%	835.66
1999-00	12%	835.66
2000-01	25%	1740.95
2001-02	25%	1714.58
2002-03	27.5%	1891.75
2003-04	27.5%	1907.45
2004-05	27.5%	1907.42
2005-06	30%	2078.60
2006-07	40%	2768.42
2007-08	45%	3114.48

(xii) Distribution of Shareholding as on 31st March, 2008.

DISTRIBUTION SCHEDULE AS ON 31ST MARCH 2008

Share holding of Nominal value of	Shareholders		Shares	
	Rs.	Number	In Rupees	% to Total
(1)	(2)	(3)	(4)	(5)
Upto - 5000	22460	90.40	29197050	4.22
5001 - 10000	1166	4.70	10039120	1.45
10001 - 20000	506	2.04	8093940	1.17
20001 - 30000	179	0.72	4661960	0.67
30001 - 40000	107	0.43	3901950	0.56
40001 - 50000	98	0.39	4715440	0.68
50001 - 100000	155	0.62	11521350	1.67
100001 And Above	174	0.70	619975190	89.58
TOTAL	24845	100.00	692106000	100.00

Distribution of Shareholding as on 31.03.2008

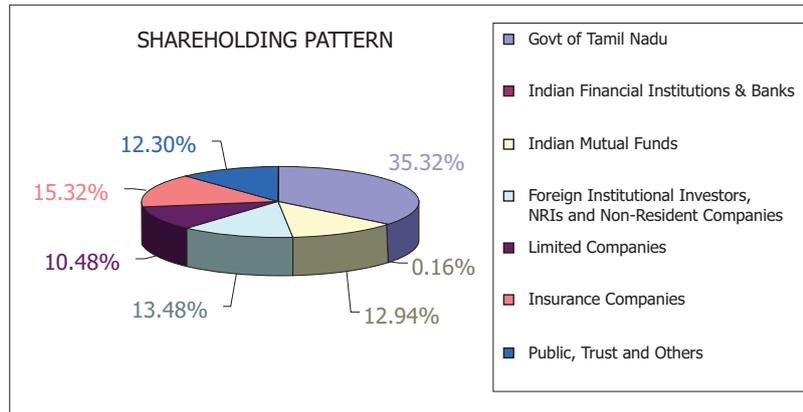
	CATEGORY	NO. OF SHARES	% OF SHARE HOLDING
A	PROMOTER'S HOLDING		
1.	Promoters		
	- Indian Promoters	24444900	35.32
	- Foreign Promoters	Nil	Nil
2.	Persons acting in Concert #	---	---
	SUB-TOTAL	24444900	35.32
B.	NON-PROMOTERS HOLDING		
3.	Institutional Investors		
a.	Mutual Funds and UTI	8952530	12.94
b.	Banks, Financial Institutions, Insurance Companies, (Central/State Govt.Institutions/Non-Government Institutions)	13677718	19.76
c.	Foreign Institutional Investors	9028735	13.04
	SUB-TOTAL	31658983	45.74
4.	Others		
a.	Private Corporate Bodies	4293580	6.20
b.	Indian Public	8483554	12.26
c.	NRI/OCBs	299693	0.43
d.	Others	29890	0.04
	SUB-TOTAL	13106717	18.94
	GRAND TOTAL	69210600	100.00

List of top ten shareholders as on 31.03.2008

Sl.No.	Name of the shareholder(s)	No. of shares	% to Equity
01	Governor of Tamilnadu	24444900	35.32
02	Life Insurance Corporation of India	6891158	9.96
03	Goldman Sachs Investments (Mauritius) I Ltd.	6312007	9.12
04	Reliance Capital Trustee Co.Ltd. A/c Reliance Growth Fund	3636178	5.25
05	General Insurance Corporation of India	2110074	3.04
06	Templeton India Equity Income Fund	1416229	2.04
07	Reliance Capital Trustee Co.Ltd. A/c Reliance Growth Fund	1050000	1.51
08	SBI Mutual Fund A/c Magnum Global Fund	985317	1.42
09	BSMA Limited	961223	1.38
10	Birla Sun Life Trustee Company Pvt. Ltd. A/c Birla Dividend Yield Plus	850000	1.22

Share Holding Pattern

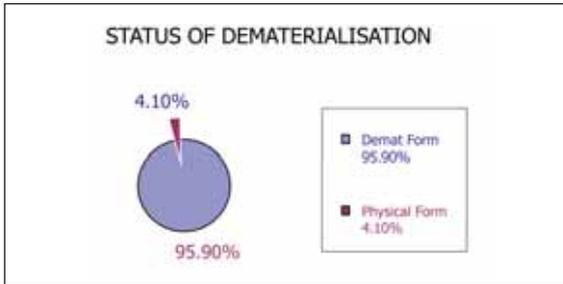
	As on 31-03-2008		As on 31-03-2007	
	No. of Shares	% to shares	No. of Shares	% to shares
Governor of Tamil Nadu	2,44,44,900	35.32	2,44,44,900	35.32
Foreign Institutional Investors	90,28,735	13.05	23,22,232	3.36
Indian Mutual Funds	89,52,530	12.94	1,39,02,857	20.09
Banks	1,13,400	0.16	3,31,828	0.48
Indian Financial Institutions	1,500	0.00	1,500	0.00
Insurance Companies	1,06,01,458	15.32	1,12,42,476	16.24
Non-Resident Companies (OCB)	16,000	0.02	36,000	0.05
Employees	38,900	0.06	40,900	0.06
Limited Companies	72,54,940	10.48	80,43,164	11.62
NRI's	2,83,693	0.41	2,75,645	0.40
Public & Trust	84,44,854	12.20	85,30,320	12.32
Shares Dematerialised/Shares in transit	29,690	0.04	38,778	0.06
Total	6,92,10,600	100.00	6,92,10,600	100.00



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

Details of Demat shares as at 31st March 2008:

	No. of Shareholders	No. of Shares	% to Capital
NSDL	16305	36091034	52.15
CDSL	4032	30276524	43.75
Physical Form	4508	2843042	4.10
Total	24845	69210600	100.00



As on 31st March 2008, 20,337 shareholders are holding shares in demat form and 6,63,67,558 shares have been dematerialized, representing 95.90% of the total Equity Share capital.

- (xiv) Outstanding GDRs/ADRs/Warrants or any Convertible Instruments, conversion date and likely impact on equity : Nil
- (xv) Plant locations : Kagithapuram
Karur District, Tamil Nadu, Pin : 639 136
Tel.No.04324-277001 to 277017
Fax : 04324-277025/277026/277027
- (xvi) 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 : cameo@cameoindia.com
Contact Person : Thiru D Narasimhan
Executive
- (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 : response@tnpl.co.in,
sivakumar.v@tnpl.co.in
Contact Person : Thiru V Sivakumar
Asst. Company Secretary

11. REQUEST TO INVESTORS

- Investors are requested to communicate change of address, if any, directly to the share transfer agent of the company at the above address.
- As required by SEBI, investors shall furnish details of their bank account number and name and address of the bank for incorporating the same in the warrants. This would avoid wrong credits being obtained by unauthorized persons.
- 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.
- Investors who have not availed nomination facility are requested to avail the same by submitting the nomination form. The form will be made available on request.
- Investors holding shares in electronic form are requested to deal only with their depository participant in respect of change of address, nomination facility and furnishing bank account number etc.
- Investors are requested to kindly note that any dividend which remains unencashed for a period of seven years will get transferred to "Investors Education and Protection Fund" in terms of Section 205C of the Companies Act, 1956.
- Members who have not encashed their dividend warrants in respect of dividends declared for the year ended 31st March 2002 and for any financial year thereafter may contact the company and surrender their warrants for payment. Members are requested to note that the dividend not claimed for a period of seven years from the date they first became due for payment shall be transferred to Investor Education and Protection Fund (IEPF) in terms of Section 205 C of the Companies Act, 1956.

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

- a. Whether Chairman of the Board is entitled to maintain a Chairman's Office at the Company's expenses and also allowed reimbursement of expenses incurred in performance of his duties :

The Chairman is a Non-executive Director in the company. The Chairman does not maintain an office at the Company's expenses.

- b. Independent directors may have a time not exceeding in the aggregate a period of nine years on the Board of the Company.

Presently the company has not adopted the above non-mandatory requirement.

2. Remuneration Committee

The Company has not formed Remuneration Committee.

3. Shareholders' Rights

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

4. Audit Qualification

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

5. Training of Board Members

Presently the company does not have training programme for Board Members.

6. Mechanism for evaluating non-executive Board Members

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

7. Whistle Blower Policy

Presently the company does not have a Whistle Blower Policy

For and on behalf of the Board

Date: 29th May 2008
Place: Chennai

MD. NASIMUDDIN IAS
MANAGING DIRECTOR

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

We, Md.Nasimuddin, Managing Director and A Velliangiri, Deputy Managing Director, in our capacity as Chief Executive Officer (CEO) and Chief Financial Officer(CFO) respectively of the company hereby certify that :

1. We have reviewed the financial statements and the cash flow statement for the year ended 31st March 2008 and that to the best of our knowledge and belief:
 - a. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading
 - b. these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards, applicable laws and regulations
2. There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of the internal control systems of the company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps have been taken to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
 - a. significant changes in internal control over financial reporting during the year
 - b. significant changes in accounting policies during the year and the same have been disclosed in the notes to the financial statements and
 - c. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting

For TAMIL NADU NEWSPRINT AND PAPERS LIMITED

MD.NASIMUDDIN IAS
MANAGING DIRECTOR

A VELLIANGIRI
DY.MANAGING DIRECTOR

Place: Chennai

Date : 29th May 2008

CERTIFICATE OF COMPLIANCE WITH THE CODE OF CONDUCT POLICY

As provided under Clause 49 of the Listing Agreement with the Stock Exchanges, the Board Members and the Senior Management Personnel have confirmed compliance with the Code of Conduct for the period ended 31st March 2008.

For **TAMIL NADU NEWSPRINT AND PAPERS LIMITED**

MD.NASIMUDDIN IAS
MANAGING DIRECTOR

Place: Chennai

Date : 29th May 2008

AUDITORS' CERTIFICATE ON CORPORATE GOVERNANCE

To the Members of
TAMIL NADU NEWSPRINT AND PAPERS LIMITED

We have examined the compliance of conditions of Corporate Governance by Tamil Nadu Newsprint and Papers Limited, for the year ended 31st March 2008, as stipulated in Clause 49 of the Listing Agreement of the said company with the stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof, adopted by the company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management, we certify that the company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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 company/Registrars and Transfer Agents of the company, there were no investor grievances remaining unattended/pending for more than 30 days as at 31st March 2008.

We further state such compliance is neither an assurance as the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

For Maharaj N R Suresh & Co
Chartered Accountants

N R Suresh
Partner
Membership No. 21661

Place : Chennai

Date : 03.06.2008