

ANNEXURE - IV REPORT ON CORPORATE GOVERNANCE

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

A. MANDATORY REQUIREMENTS

1. Company's Philosophy

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

2. Board of Directors

a. Composition and Category of Directors

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

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

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

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

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

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

Board's functioning and Procedure

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

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

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

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

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

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

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

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

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

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

e. Information placed before the Board of Directors

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

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

f. Board material distributed in advance

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

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

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

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

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

g. Recording minutes of proceedings at Board Meeting

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

h. Post Meeting Follow-up Mechanism

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

i. Compliance

The Company Secretary is responsible for and is required to ensure adherence to all the applicable laws and regulations including the Companies Act, 1956 read with the rules issued thereunder and to the extent feasible, the Secretarial Standards recommended by the Institute of Company Secretaries of India, New Delhi.

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

Particulars of Directors being appointed at the Annual General Meeting and Directors retiring by rotation and seeking reappointment have been given in the Notice convening the 33rd Annual General Meeting along with the Explanatory Statement.

3. Audit Committee (Statutory)

a. Terms of reference

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

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

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

The Audit Committee mandatorily reviews the following information :

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

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

b. Composition, name of members and Chairperson

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

Thiru V Narayanan, Chairman of the Committee

Thiru N Kumaravelu, Member

Thiru M R Kumar, Member

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

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

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

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

29.5.12, 14.8.12, 21.9.12, 6.11.12, 8.2.13

4. Investors' Grievances Committee (Statutory)

a. Investors' Grievances Committee

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

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

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

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

Terms of reference:

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

a. To monitor work related to:

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

- b. Approval of issue of duplicate share certificates against the original share certificates
- c. To look into the redressing of shareholders and investors complaints like
Transfer of shares, non-receipt of balance sheet and non-receipt of declared dividend.
- d. To do all other acts or deeds as may be necessary or incidental thereto
- e. The Committee also reviews the performance of the company's RTA and their system of dealing with and responding to correspondence from all categories of shareholders. The manner and timeliness of dealing with complaint letters received from Stock Exchanges/SEBI/Ministry of Corporate Affairs etc. and the responses thereto are reviewed by this Committee.

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

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

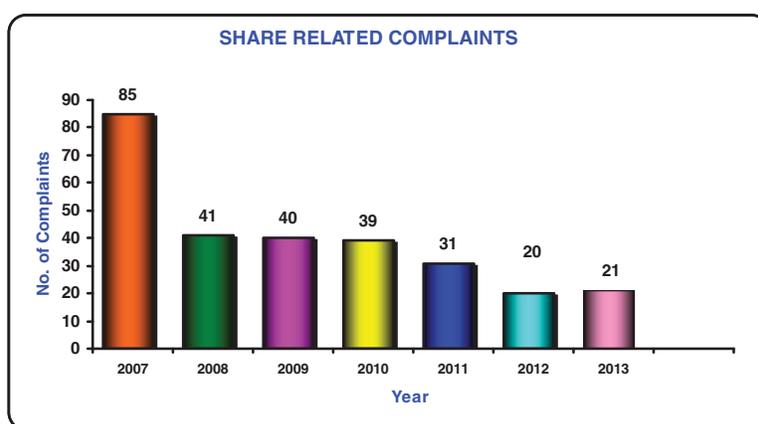
The number of complaints received and resolved to the satisfaction of investors during the year under review and their break-up are as under:

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

Complaints Status: 1.4.2012 to 31.3.2013

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

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



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

b. Share Transfer Committee

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

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

5. Remuneration Committee (Non-statutory)

a. Remuneration Policy

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

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

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

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

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

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

b. Details of remuneration for the year ended 31.3.2013

Executive Directors

(Rs. in lakh)

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

Non-Executive Directors

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

Name of the Director	Sitting Fees paid (Rs.)		
	Board	Audit	Investors' Grievances
Tvl.			
Dr.N Sundaradevan IAS	45000*	-	-
Vikram Kapur IAS	30000*	-	-
S Krishnan IAS	75000*	-	-
Mahesan Kasirajan IAS	30000*	-	-

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

* remitted to Govt. of Tamil Nadu

**remitted to LIC of India Ltd.

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

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

Shareholdings of Directors

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

6. General Body Meetings

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

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

Postal Ballot

No special resolution was put through postal ballot last year.

Circular Resolution

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

Secretarial Compliance Report

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

b. Secretarial Audit Reports

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

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

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

Secretarial Standards

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

Role of Company Secretary in overall governance process

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

Quarterly Compliance Report

The Company has submitted for each of the 4 quarters during 2012-13 the Compliance Report on Corporate Governance to stock exchanges in the prescribed format within 15 days from the close of the quarter.

7. Disclosures –Cl.49(iv)

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

Code of Conduct-CL.49(ID)

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

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

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

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

8. Means of Communication

- a. Half-yearly report sent to each household of shareholders : No *
- b. Quarterly results :
- Newspapers published in : Financial Express
Business Standard
Dhinathanthi
- Website where displayed : www.tnpl.co.in
- c. Whether the website also displays official news releases and presentations to the media, analysts, institutional investor's etc. ? : Yes
- d. Audited financial results (Newspapers published in) : Financial Express
Business Standard
Dhinathanthi
- e. Whether Management Discussion & Analysis (MDA) is a part of Annual Report? : Yes

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

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

- f. Presentation to analysts: The company's shares are listed on both Bombay Stock Exchange Limited and National Stock Exchange of India Limited. The presentations broadly cover operations, financials and industry outlook.
- g. Annual Report: Annual Report containing, inter alia, audited Annual Accounts, Directors' Report, Auditors' Report and other important information is sent to Members and others entitled thereto. The Management Discussion and Analysis (MDA) Report forms part of the Annual Report. The Annual Report is also available on the Company's website.
- h. Chairman's communiqué: Printed copy of the Chairman's speech is distributed to all the shareholders at the Annual General Meeting.
- i. NSE Electronic Application Processing System (NEAPS): The company also files information through NEAPS – a web based application provided by NSE which facilitates online filing of Corporate Governance Report and the shareholding pattern by companies.
- j. Extensive Business Reporting Language (XBRL): XBRL is a language for electronic communication of business and financial data. It offers major benefits to all those who have to create, transmit, use or analyse such information which aids better analysis and decision making. Ministry of Corporate Affairs (MCA) vide its circular No.37/2011 dated 7th June 2011 had mandated certain companies to file their Annual Accounts vide this mode. The company has filed its Annual Accounts on MCA through XBRL.
- k. Ministry of Corporate Affairs: The company has periodically filed all the necessary documents with the MCA.
- l. SEBI Complaints Redress System (SCORES): A centralized web based complaints redress system which serves as a centralized database of all complaints received, enables uploading of Action Taken Reports (ATRs) by the concerned companies and online viewing by the investors of action taken on the complaint and its current status.

9. Risk Management

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

10) SHAREHOLDERS' INFORMATION

1. 33rd Annual General Meeting

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

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

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

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

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

(b) Dividend Policy :

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

5. Debt Instruments:

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

ISIN No.

i) Series I - INE107A07012 – 100 crores

ii) Series II - INE107A07020 – 50 crores

6. Listing of Equity Shares on

(a) Stock Exchanges at :

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

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

(b) Depositories at :

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

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

(c) Debenture Trustees :

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

• Listing fee for Equity shares and Debt Securities for the year 2013 -2014 have been paid to the above Stock Exchanges. For NSE, Listing fee has been paid through "NEAPS" (NSE Electronic Application Processing System).

• The annual custodial fees for the Financial Year 2013-14 have been paid to National Securities Depository Ltd.(NSDL) and Central Depository Services (India) Ltd. (CDSL)

7. Stock Code / Symbol

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

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

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

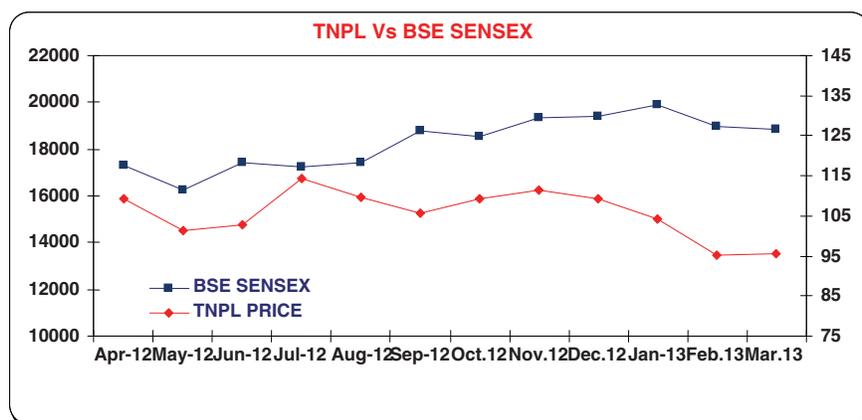
8(b).Market Capitalisation (Rs.)

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

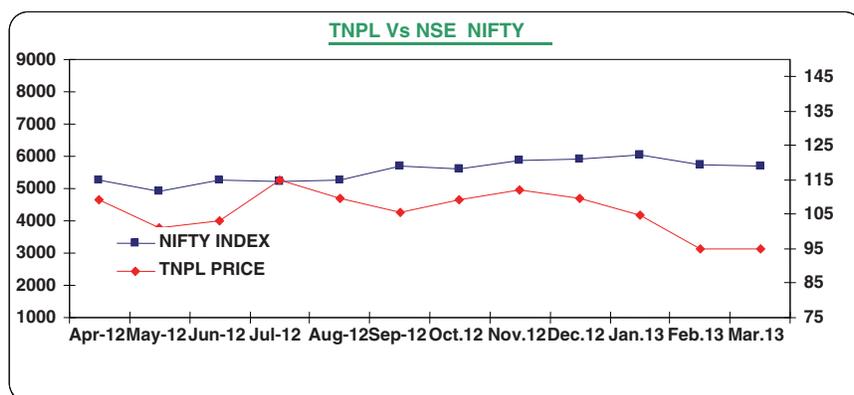
9. Share price performance in comparison to broad based indices – BSE Sensex and NSE Nifty :

For the years April 2011 to March 2013 :

YEAR	BSE SENSEX			NSE NIFTY		
	% CHANGE IN TNPL SHARE PRICE	% CHANGE IN SENSEX	TNPL REACTIVE TO SENSEX	% CHANGE IN TNPL SHARE PRICE	% CHANGE IN NIFTY	TNPL REACTIVE TO NIFTY
2011-2012	(-)26.78 %	(-)10.50 %	(-)16.28 %	(-)26.91 %	(-)9.23 %	(-)17.68 %
2012-2013	(-) 0.83 %	(+) 8.23 %	(-) 9.6 %	(-) 0.99 %	(+) 7.31 %	(-) 8.30 %
2011-2013	(-)26.38 %	(-) 3.01 %	(-) 23.37 %	(-) 26.91%	(-) 2.46 %	(-)24.45%



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



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

10. Registrar and Transfer Agent

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

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

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

11. Share Transfer System

i) Share Transfers

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

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

ii) Nomination facility for shareholding

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

iii) Payment of dividend through National Electronic Clearing Service (NECS)

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

Shareholders were requested by the company vide Circular dated 5th March, 2010, to intimate their folio No(s), Name and Branch of the Bank in which they wish to receive the dividend, the Bank Account type, Bank Account Number allotted by their banks after implementation of Core Banking Solutions (CBS) and the 9 digit MICR code Number.

Shareholders who have already intimated the above information to the Depository Participants (DPs)/Registrars of the company ("Registrars") pursuant to the above circular need not take any further action in this regard.

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

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

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

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

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

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

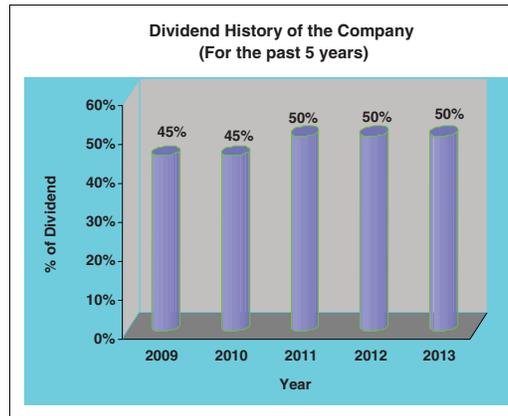
Particulars	Date of Warrant	Due Date for Transfer	Date of Transfer	Amount transferred Rs.
1. Dividend :-				
2004-05 (Final)	23-08-2005	27.10.2012	15.10.2012	5,74,384
2005-06 (Interim)	03-11-2005	22.12.2012	17.12.2012	5,44,239
2. Fixed Deposit :				1,84,257
Total				13,02,880

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

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

12. Dividend History (Last 5 Years)

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



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

DISTRIBUTION SCHEDULE AS ON 31ST MARCH, 2013

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

DISTRIBUTION OF SHAREHOLDING AS ON 31.03.2013

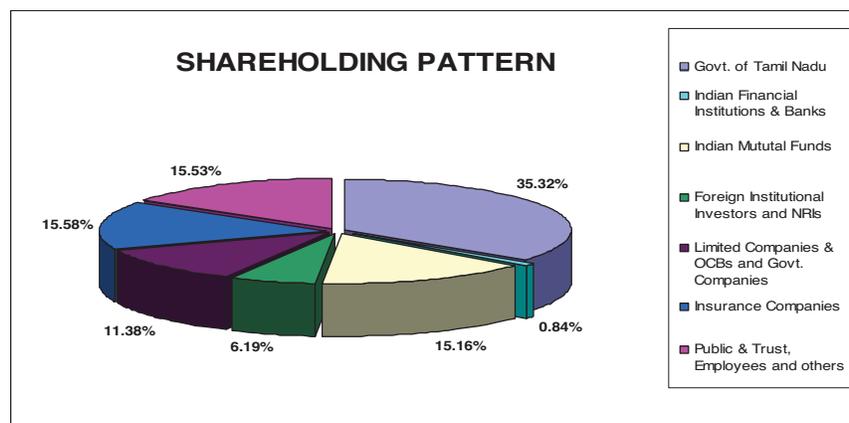
	CATEGORY	NO OF HOLDERS	NO OF SHARES	Percentage
A	PROMOTERS' HOLDING			
1	Promoters			
	- Indian Promoters	1	24444900	35.32
	- Foreign Promoters		Nil	Nil
2	Persons acting in Concert		---	---
	SUB-TOTAL	1	24444900	35.32
B.	NON-PROMOTERS' HOLDING			
1	Indian Financial Institutions	2	496568	0.72
2	Mutual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

LIST OF TOP TEN SHAREHOLDERS AS ON 31.03.2013

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

SHAREHOLDING PATTERN

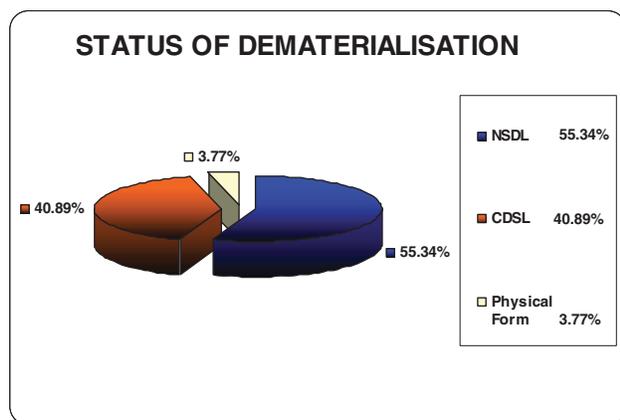
Category	Shareholding Pattern As on 31.3.2013			Shareholding Pattern As on 31.3.2012		
	Number of Shareholders	Number of Shares	%	Number of Shareholders	Number of Shares	%
Governor of Tamilnadu	1	24444900	35.32	1	24444900	35.32
Foreign Institutional Investors	16	3756190	5.43	13	2502613	3.62
Indian Mutual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



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

Details of Demat shares as at 31st March 2013:

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



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

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

16. Credit Rating:

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

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

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

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

18. Address for correspondence :

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

Contact Person : Thiru D Narasimhan
Asst. Manager

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

11. REQUEST TO INVESTORS

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

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

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

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

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

The CMD is an executive Director in the company.

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

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

2. Remuneration Committee

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

3. Shareholders' Rights

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

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

4. Training of Board Members

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

5. Mechanism for evaluating non-executive Board Members

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

6. Whistle Blower Policy

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

Compliance with the Corporate Governance Voluntary Guidelines 2009

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

For and On behalf of the Board

Place: Chennai

Date: 27.5.2013

N S PALANIAPPAN IAS
CHAIRMAN & MANAGING DIRECTOR