

MINUTES OF THE THIRTYSECOND ANNUAL GENERAL MEETING OF THE MEMBERS OF TAMIL NADU NEWSPRINT AND PAPERS LIMITED HELD ON FRIDAY THE 21ST SEPTEMBER 2012 AT 10.25 AM AT MUSIC ACADEMY, 168 T T K ROAD, CHENNAI 600 014

PRESENT

Tvl.

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| 1. Dr.N Sundaradevan IAS | Chairman |
| 2. Md.Nasimuddin IAS | Managing Director |
| 3. V Narayanan | Director |
| 4. N Kumaravelu | Director |
| 5. M R Kumar | Director |
| 6. A Velliangiri | Dy.Managing Director |
| 7. D Padmanabhan
Under Secretary to Govt. | Representing Governor of Tamil Nadu, Shareholder |
| 8. K Kumar | Representing LIC, Shareholder |
| 9. Other shareholders | As per Annexure |

BY INVITATION

Thiru P B Srinivasan

Partner, P B Vijayaraghavan & Co.

The Chairman of the company Dr.N Sundaradevan IAS could not be present on time as he was held up in another meeting .

As per Cl.78 of the Articles of Association, if at any meeting, the Chairman is not present within 15 minutes after the time appointed for holding the meeting, the Members present shall choose another Director as Chairman. Accordingly, Thiru D Padmanabhan, representing GOTN, proposed the appointment of Thiru V Narayanan, Director, as Chairman of the Meeting for conducting the 32nd AGM and Thiru K Kumar, representing LIC seconded the same.

MD requested Thiru V Narayanan to act as Chairman and conduct the proceedings.

The Chairman welcomed the members . The Chairman mentioned that quorum was present and the Register of Directors' shareholding was open for inspection. There were 5682 shareholders present in person and 142 shareholders through proxy. The meeting was called to order.

The meeting started with a prayer.

Notice convening the meeting was taken as read. Thiru P B Srinivasan of M/s. P B Vijayaraghavan & Co., Chartered Accountants, read the Auditors' Report.

The Chairman addressed the meeting. The Chairman informed that the company commenced production in the year 1984. Started with an initial capacity of 90,000 tonnes per annum, the company has steadily grown to a capacity of 4,00,000 tonnes per annum. The company has built a good reputation in the paper industry and among its stakeholders.

The company has produced 3,43,306 Mts. of printing and writing paper. The company has raised pulpwood plantation in 82,025 acres under Farm Forestry Scheme upto 31.3.2012 involving 15,018 farmers. The target of 1,00,000 acres will be reached during the current year. The company has procured 2,76,881 MT of pulpwood from plantation sources during the year. Amidst high input cost and other adverse conditions, the company has earned a profit before tax of Rs.125.11 crore during the financial year 2011-12. The company has exported 80,459 Mts. of PWP during the year valuing Rs.334.86 cr.

For the power generated using the steam produced in the recovery boiler, the company has received 27,680 Renewable Energy Certificates for the period from 19.1.2012 to 31.3.2012 and realized Rs.4.55 cr. as sale proceeds of the RECs.

The company is likely to generate revenue of about Rs.20 Cr. per annum on this account every year.

Between 2008 and 2010, the mills have increased the production capacity by about 60%. This has been an exceptionally high increase because the demand is only 8-9% per annum.

The market for PWP has improved since January 2012. The overall demand for PWP is expected to grow by 9% during 2012-13. The company has strengthened dealers' network across the country.

As part of Limesludge and Flyash Management, the company has set up a 600 tpd integrated dry process cement plant to convert the waste materials, namely, lime sludge and fly ash generated in the process of manufacturing of paper into high grade cement. Cement trial production was commenced on 5.9.2012.

The Company is setting up a 300 tonnes per day state-of-the-art Deinking plant to meet the additional pulp requirements. Trial production will be commenced in October 2012. Three low pressure power boilers of a total capacity of 180 tph will be replaced with a new 125 tph high pressure boiler and two TG sets with a single energy efficient TG set to increase the inhouse power generation from 81.12 mw.

to 103.62 mw to meet the additional requirement of power. The plant is expected to be commissioned by December 2012.

The company has initiated steps to install a PCC Plant and a WGCC Plant on Build, Own and Operate (BOO) basis to enable the company to source these materials online at a cheaper cost. Work on the project will be commenced during the year and completed by December 2013.

Under Corporate Social Responsibility scheme, the company has spent Rs.3.71 crore for various community welfare measures during the year 2011-12 and has set apart Rs.3.30 Cr. for the year 2012-13.

As Chairman of the Company joined the meeting, Thiru V Narayanan acting as Chairman of the Meeting vacated the Chair and requested Dr.N Sundaradevan IAS to take the Chair and conduct the proceedings.

The Chairman explained the reasons for delay in his attending the meeting.

Chairman then called the members one by one who opted to speak.

The shareholders appreciated the management for the transparent information given to the shareholders on the status of the company. Queries were raised on the subjects like delay in execution of some projects and implementation of ERP, issue of bonus shares, increasing the dividend, increase in payment of commission and discount, convening of AGM in advance etc.

On a query relating to delay in execution of the projects viz.MDP,MEP, DIP, it was informed that all the projects executed in the last 4-5 years were brown field projects. Despite the constraints faced in execution of brown field projects and numerous external constraints, ranging from delay in delivery of equipments by BHEL and other suppliers to shortage of skilled workforce, the company has overall achieved good progress in the implementation of the projects.

The trial production of cement has started. DIP and RSPS are expected to be commissioned by December 2012.

Between 2008-2010, the mills have increased the capacity by about 60% whereas the demand growth was just 8-9% per annum. The company has been adding capacities in line with the industry growth to retain its market share. Last year, performance was affected due to lower realization on account of slackness in demand and excess supplies of paper into the market. While the cost of input materials were on the rise, realization was lower.

GP, is the best indicator for the company's performance. Despite several set backs, the GP during 2011-12 was 29.29% compared to the next best of 17.09%, in the industry.

The increase in Commission and Discount, was due to the corresponding increase in sales.

On a query relating to interest rate, it was informed that TNPL's interest rate is one of the lowest in the paper industry. The company's interest rate as on 31.3.2012 was 8.01%.

On a query on Impairment of Assets, it was informed that impairment of assets is estimated for each cash generation unit. The details were placed before the Board in the month of May when the accounts were approved by the Board.

On a query on Debt-equity ratio, it was informed that by June 2015 all the MEP loans would get repaid and there would be substantial improvement in the debt-equity ratio from thereon.

On a query regarding Overseas market, it was informed that presently the realisation from exports are comparable with average domestic realization because of depreciation of rupee against US Dollar.

On a query on repayment of world bank loan, it was informed that the loan borrowed from the World Bank was from currency pool account consisting of three major currencies viz. Euro, Yen, Dollar, GBP and number of other currencies in a fixed ratio. Based on the currency exchange rates, the composition is changed every day. Hence, banks were not willing to hedge the multi-currency loan. To avoid carrying risks, the company swapped the multi-currency loan with a single currency USD denominated loan, which proved to be beneficial to the company with a huge savings.

On a query on ERP, it was informed that the company is implementing ERP. Though there are teething problems, due to the concerted efforts put in by the employees, majority of problems have been set right. The Implementation Partner and the Software supplier are sorting out the remaining issues.

Regarding wage settlement, it was informed that the industrial relation in the company has been one of the best in the industry. For the last 16 years, there has been no strike in the factory. The company has entered into wage settlements for the workmen and the chagemen. The pay revision for staff and officers will be finalized soon.

On a request for issue of bonus shares, it was informed that because of the large capital base, earnings per share is low compared to other mills. If the share

capital is further enhanced by issue of bonus shares, EPS will drop affecting the market value of shares. Therefore, it is not desirable to issue bonus shares at this stage.

On a request to convene the AGM earlier, it was informed that the Board approves the accounts in the month of May. The AG audit takes a minimum of about two months. In case, AG proposes any qualification, the same has to be sent to CAG, Delhi for prior clearance. In such event, duration will increase to 10 weeks. Hence, the company holds the AGM in September to guard against likely delays. The request of the shareholders to advance the AGM would be considered to the extent possible.

As regards a query on utilization of company's land at Ambattur, it was informed that originally it was proposed to construct an IT park but due to economic slow down, the proposal was dropped. A suitable decision will be taken by the Board at an appropriate time.

On a request to increase dividend percentage, it was informed that despite huge financial constraints, the Board has recommended payment of dividend at 50% as in the previous year. The Board has taken into account the profitability, funds required, expansion plan, capex and loan repayments before recommending dividend.

As regards unclaimed dividend, it was informed that dividend warrants are sent to addresses available as per company records. Where the shareholders have not informed the company the change of address, the dividend warrants are returned to the company. The company remits the unclaimed dividend to the central government after 7 years. If any claim is received from the shareholders within 7 years period, payment is made.

On a query relating to notebook conversion, it was informed that the company sells paper to the converters and fixes conversion rate and buys the notebooks from them at the agreed price equivalent to the billing price of paper plus the conversion charges.

On a query relating to rental income remaining the same, MD informed that the company has entered into an agreement for three years. The rent for the current agreement period of three years is increased by 30%.

On a query regarding sale of coal, it was informed that the company does not sell coal in the open market. In exceptional circumstances, the company has sold coal to State Public sector units like TNEB & TANCEM. The company has a well established system for purchase of coal.

On a request to arrange factory visit for shareholders, it was informed that the same will be examined.

After the shareholders' queries were answered, the Chairman thanked all the shareholders for their constructive remarks and suggestions. The Chairman informed that due consideration would be given to the suggestions made by the shareholders.

Thereafter, the meeting proceeded further to transact the business mentioned in the notice:

ITEM NO.1 Adoption of Balance Sheet

Thiru S Venugopan proposed the resolution

RESOLVED THAT the Balance Sheet of the Company as on 31.3.2012, Statement of Profit and Loss for the year ended 31.3.2012, Auditors' Report thereon and Directors' Report of the Company as circulated be and are hereby received and adopted

Thiru Lal Jagadish seconded the resolution.

On being put to vote on show of hands, the resolution was passed with majority.

ITEM NO.2 To declare dividend

Thiru M Sundaram proposed the resolution

RESOLVED THAT dividend at the rate of 50% on fully paid up equity share of Rs.10/- each be and is hereby declared for the year. In the case of shares held in physical form, dividend be paid to shareholders whose names appear on the Register of Members as of 21.9.2012 and in the case of shares held in dematerialised form, dividend be paid to beneficial holders of NSDL as of 14.9.12

Thiru V Renganathan seconded the resolution

On being put to vote on show of hands, the resolution was passed with majority.

ITEM NO.3 To reappoint Thiru V Narayanan, Director

Thiru Lal Jagadish proposed the resolution

RESOLVED THAT Thiru V Narayanan, Director, be and is hereby reappointed as Director of the Company

Thiru R Ramesh seconded the resolution

On being put to vote on show of hands, the resolution was passed with majority.

ITEM NO.4 Payment of remuneration to Statutory Auditors M/s.P B Vijayaraghavan & Co., Chartered Accountants

Thiru P Daniel Sathya Prakash proposed the resolution

RESOLVED THAT consent of the company be and is hereby accorded for payment of remuneration of Rs.6,00,000/-(Rupees Six lakhs only) to M/s. P B Vijayaraghavan & Co., Statutory Auditors, (Regn.No.004721S) besides reimbursement of travelling and out of pocket expenses at actuals subject to other terms and conditions laid down by the Office of the Comptroller and Auditor General of India in their letter No. CA V/COY/Tamilnadu,TNEWSP(1)/572 dt.3.9.2011

Thiru M Sundaram seconded the resolution

On being put to vote on show of hands, the resolution was passed with majority.

ITEM NO.5 Appointment of Thiru S Krishnan IAS as Director

Thiru S Senthivelan proposed the resolution

RESOLVED THAT Thiru S Krishnan IAS be and is hereby appointed as Director of the Company

Thiru S Venugopan seconded the resolution

On being put to vote on show of hands, the resolution was passed with majority.

ITEM NO.6 Appointment of Thiru N Mathivanan IAS as Director

Thiru Lal Jagadish proposed the resolution

RESOLVED THAT Thiru N Mathivanan IAS be and is hereby appointed as Director of the Company

Thiru R Ramesh seconded the resolution

On being put to vote on show of hands, the resolution was passed with majority.

ITEM NO.7 Appointment of Thiru M R Kumar as Director

Thiru V Renganathan proposed the resolution

RESOLVED THAT Thiru M R Kumar be and is hereby appointed as Director of the Company

Thiru S Senthivelan seconded the resolution

On being put to vote on show of hands, the resolution was passed with majority.

ITEM NO.8 Appointment of Thiru Md.Nasimuddin IAS as Director

Thiru R Ramesh proposed the resolution

RESOLVED THAT Thiru Md.Nasimuddin IAS be and is hereby appointed as Director of the Company

Thiru P Daniel Sathya Prakash seconded the resolution

On being put to vote on show of hands, the resolution was passed with majority.

ITEM NO.9 Appointment of Thiru Santosh K Misra IAS as Managing Director

Thiru M Sundaram proposed the resolution

RESOLVED THAT pursuant to the provisions of Sec.269 and other applicable provisions of the Companies Act, 1956 and Art.140 of the Articles of Association of the Company and subject to such other approvals, as may be necessary, consent of the members of the Company be and is hereby accorded to the appointment of Thiru Santosh K Misra IAS as Managing Director of the company

w.e.f.25.1.12 on such terms and conditions and such remuneration as may be prescribed by the Government of Tamil Nadu from time to time

Thiru S Senthilvelan seconded the resolution

On being put to vote on show of hands, the resolution was passed with majority.

There being no other business, the meeting ended with a vote of thanks to the Chair and others followed by singing of National Anthem.

**DR. N SUNDARDEVAN
CHAIRMAN**

ANNEXURE

List of other shareholders who attended the 32nd AGM held on 21.9.2012:

FOLIO NO./ DP Id./ Client ID No.	NAME
	Tvl.
IN 301080 22394546/ 00001425	P Daniel Sathya Prakash V Renganathan
IN 300360/ 10033537	P Subramanian
12044700/ 057311511	Ramalingam Vidyasankar
IN 301356/ 40001920	L V Rajarathinam
IN 301637/ 40117566	R Sivakumar
300214/ 4782712	Venugopan
22137897	S Senthivelan
00000146	M Sundaram
IN 300394/ 12371133	R Ramesh
00000272	Lal Jagadish
IN301080/ 22404600	V Baalasubramanian

Total No. of shareholders(including proxies), who attended the meeting:
5824.