

NOTICE

NOTICE is hereby given that the Thirtysecond Annual General Meeting of the Members of Tamil Nadu Newsprint and Papers Limited will be held on Friday the 21st September 2012 at 10.25 AM at the Music Academy Main Hall, 168 T T K Road, Chennai 600 014 to transact the following business :

ORDINARY BUSINESS

1. To receive, consider and adopt the audited statement of Profit and Loss for the year ended 31st March 2012, the Balance Sheet as at that date and Reports of the Board of Directors and the Statutory Auditors and the comments of the Comptroller and Auditor General of India, thereon.
2. To declare dividend
3. To appoint a Director in the place of Thiru V Narayanan, who retires by rotation and being eligible offers himself for reappointment
4. To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY resolution:

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

SPECIAL BUSINESS

5. To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY Resolution :
RESOLVED THAT Thiru S Krishnan IAS be and is hereby appointed as Director of the Company.
6. To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY Resolution :
RESOLVED THAT Thiru N Mathivanan IAS be and is hereby appointed as Director of the Company.
7. To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY Resolution :
RESOLVED THAT Thiru M R Kumar be and is hereby appointed as Director of the Company.
8. To consider and if thought fit, to pass with or without modifications, the following resolution as an ORDINARY Resolution :
RESOLVED THAT Thiru Md.Nasimuddin IAS be and is hereby appointed as Director of the Company

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

RESOLVED THAT 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.

BY ORDER OF THE BOARD

Place : Chennai

A VELLIANGIRI

Date :14.08.2012 Dy. Managing Director & Secretary

NOTES

- 1) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.
- 2) Proxies in order to be effective, must be lodged with the Company not later than 48 hours before the meeting.
- 3) The relative Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of the Special Business set out under Items 5 to 9 is annexed hereto.
- 4) The Register of Members and Share Transfer Books of the Company will be closed from 14.9.12 to 21.9.12 (both days inclusive).
- 5) The dividend for the year ended 31st March 2012 as recommended by the Board, if sanctioned at the meeting, will be paid to those members whose names appear in the company's Register of Members on 21st September 2012 . In respect of shares held in electronic form, the dividend will be paid on the basis of beneficial ownership as per details furnished by National Securities Depository Limited and Central Depository Services(India) Limited for this purpose.
- 6) Pursuant to Section 205A of the Companies Act, 1956, all unclaimed dividends upto the financial year ended March 31, 2004 have been transferred to the General Revenue Account of the Central Government. Members who have not encashed their dividend warrant(s) for the said period are requested to claim the amount from the Registrar of Companies (Tamil Nadu), Shastri Bhavan, Block No.6, II Floor, 26 Haddows Road, Chennai 600 006. In case any assistance is required in

- this regard, please write to the company or to the company's Registrar and Share Transfer Agents.
- 7) As regards dividend pertaining to the financial year ended March 31, 2005 and thereafter, amounts remaining in the Unpaid Dividend Accounts of the company have to be transferred to 'The Investor Education and Protection Fund'. Established by the Central Government at the expiry of seven years from the date of transfer to the respective year's Unpaid Dividend Account. Thereafter, the Members shall have no claim against the Fund or the Company in respect of his unpaid dividend. Such transfer has already been effected with regard to the unpaid dividend for the financial years 1995-96 to 2003-2004. The unpaid dividend for the financial year 2004-05 will be transferred to the above fund during October 2012. Members are therefore requested to lodge their claims for unpaid dividend, if any, immediately with the Company.
 - 8) Members holding shares in physical form are requested to quote their Registered Folio No. in all their correspondences and notify promptly change, if any, in their Address/ bank mandate to the company's Registrar and Share Transfer Agents viz. Cameo Corporate Services Limited Unit : Tamil Nadu Newsprint and Papers Limited, 'Subramanian Building', 1 Club House Road, Chennai 600 002
 - 9) In case of any change of particulars including address, bank mandate & nomination of shares held in demat form, should be notified only to the respective Depository Participants (DPs) where the member has opened his demat account. The company or its share transfer agent will not be able to act on any direct request from these Members for change of such details.
 - 10) Members holding shares in demat form may please note that the bank account details given by them to their DPs and passed on to the company by such DPs would be printed on the dividend warrants of the concerned members. However, if any member(s) wants to receive dividend in any other bank account, he/she should change/correct the bank account details with their concerned DPs and also intimate about ECS payment requirement. The company will not be able to act on any such request from shareholders directly for deletion/change in the bank account details.
 - 11) Members/Proxies are requested to bring the attendance slip sent with Annual Report duly filled in for attending the meeting.
 - 12) Members are requested to bring their copies of Annual Report for the meeting. Copies of the Annual Report will not be distributed at the Annual General Meeting .
 - 13) Members desiring any information as regards accounts are requested to write to the Company at least 7 days before the meeting so as to enable the Management to keep the information ready.
 - 14) Equity shares of the company have been placed under Compulsory Demat Trading w.e.f. 8.5.2000. Members who have not dematerialised their physical holding in the company are advised to avail the facility of dematerialisation of equity shares of the company.
 - 15) Members holding shares under different folios in the same names are requested to apply for consolidation of folios and send relevant share certificates to the Company's Registrar and Share Transfer Agents
 - 16) Corporate members intending to send their authorized representatives to attend the meeting are requested to send to the company, a certified true copy of the Board Resolution authorising their representative to attend and vote on their behalf at the meeting
 - 17) SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore requested to submit their PAN to their DPs with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company/ Registrar and Share Transfer Agents M/s. Cameo Corporate Services Ltd.
 - 18) **The Ministry of Corporate Affairs, New Delhi ("MCA") has undertaken a "Green Initiative" in the field of Corporate Governance by permitting paperless compliances by companies (vide its Circular No.17/2011 dated April 21, 2011 and Circular No.18/2011 dated April 29, 2011). Further, the Ministry has also clarified that the service of documents by a company can be made through electronic mode instead of sending the physical copy of the document(s). Members are requested to support this green initiative by registering/ updating their e-mail addresses, in respect of shares held in dematerialized form with their respective Depository Participants and in respect of shares held in physical form with Cameo Corporate Services Ltd.**

ANNEXURE TO THE NOTICE

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

Profile of Directors being appointed/ reappointed**ITEM NO.3**

Name : Thiru V Narayanan

Age : 74 years

Qualification : M.Sc.(Chemistry)

Experience : Thiru V Narayanan has more than 50 years of experience in Management. Thiru V Narayanan has held several positions in Hindustan Lever Ltd., both in India and in U.K. Subsequently, Thiru V Narayanan had joined Pond's (India) Ltd. and was its Chairman and Managing Director for over 15 years and is currently on the Board of several reputed companies.

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

Company	Position	Committee Membership
M M Forgings Limited	Chairman	Audit Committee-Chairman Investors' Grievances Committee-Member
Glaxo Smithkline Pharmaceuticals Ltd.	Director	Audit Committee-Member Remuneration Committee-Member
Rane(Madras) Limited	-do-	Audit Committee-Member
Sundaram Fasteners Limited	-do-	Audit Committee-Member
Rane Holdings Limited	-do-	Audit Committee-Member

ITEM NO.5

Name : Thiru S Krishnan IAS

Age : 45 years

Qualification : B.A(Hons), M.A.(Economics)

Experience : Thiru S Krishnan IAS belongs to 1989 batch of Indian Administrative Service. Thiru S Krishnan IAS has 21 years of service in various departments of Government of Tamil Nadu. Currently, Thiru S Krishnan IAS holds the position of Secretary to Government (Expenditure), Finance Department, Govt. of Tamil Nadu.

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

Company	Position	Committee Membership
Tamil Nadu Tourism Development Corpn.	Director	
POWERFIN	Director	
ELCOT	Director	

TUFIDCO	Director	
New Tirupur Area Development Corporation Ltd.	Director	
TN Water Investment Company	Director	
TNUIFSL	Director	
TN Arasu Cable T V Corpn. Ltd.	Director	
SIDCO	Director	
Chennai Metro Rail Ltd.	Director	

ITEM NO.6

Name : Thiru N Mathivanan IAS

Age : 57 years

Qualification : Post Graduation in Criminology
Post Graduation in History
Bachelor of Law

Experience : Thiru N Mathivanan IAS belongs to 1999 batch of Indian Administrative Service. Thiru N Mathivanan IAS has worked in various capacities in the fields of Rural Development, Personnel & General Administration(Vigilance), Land Revenue Management & District Administration, Social Justice & Empowerment, Agriculture & Co-operation and Industries, Collector of Salem and Madurai Districts. Currently, Thiru N Mathivanan IAS holds the position of Director of Sugar.

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

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

ITEM NO.7

Name : Thiru M R Kumar

Age : 51 years

Qualification : B.Sc.

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

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

ITEM NO.8

Name : Thiru Md.Nasimuddin IAS
 Age : 48 years
 Qualification : B.A(Hons)(History),M.A.(History)
 MBA(Birmingham,U.K.)
 Experience : Thiru Md.Nasimuddin IAS belongs to 1989 batch of Indian Administrative Service. Thiru Md.Nasimuddin IAS has held key positions in various departments of Govt. of Tamil Nadu. Presently, Thiru Md.Nasimuddin IAS holds the position of Chairman and Managing Director of Tamil Nadu Industrial Investment Corporation.
 Thiru Md.Nasimuddin IAS does not hold any shares in TNPL .His Directorships and Committee Memberships of other companies are as follows:

Company	Position	Committee Membership
Tamilnadu Industrial Investment Corporation	Chairman & Managing Director	
State Industries Promotion Corpn.of Tamilnadu Limited(SIPCOT)	Director	
Tamilnadu Small Industries Development Corpn.Ltd.(SIDCO)	Director	
ITCOT Consultancy and Services Ltd.	Director	
Guindy Industrial Estate Infrastructure Upgradation Company	Director	
Chettinad Cement Corporation Ltd.	Director	
Seshasayee Paper & Boards Limited	Director	

Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956**ITEM NO.5**

The Board of Directors of your Company have appointed Thiru S Krishnan IAS as an additional Director with effect from 15.9.2011. As an additional Director Thiru S Krishnan IAS will hold the office of Director upto the date of AGM.

Notice has been received under Section 257 of the Companies Act, 1956 from a member of his intention to propose the candidature of Thiru S Krishnan IAS for directorship. This may also be treated as individual notice under Sec.257(1A) of the Companies Act, 1956. Your Directors recommend this resolution for approval of the members of the Company.

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

ITEM NO.6

The Board of Directors of your Company have appointed Thiru N Mathivanan IAS as an additional Director with effect from 11.11.2011. As an additional Director Thiru N Mathivanan IAS will hold the office of Director upto the date of AGM.

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

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

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

ITEM NO.7

The Board of Directors of your Company have appointed Thiru M R Kumar as an additional Director with effect from 15.9.2011. As an additional Director Thiru M R Kumar will hold the office of Director upto the date of AGM.

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

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

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

ITEM NO.8

The Board of Directors of your Company have appointed Thiru Md.Nasimuddin IAS as an additional Director with effect from 31.5.2012. As an additional Director Thiru Md.Nasimuddin IAS will hold the office of Director upto the date of AGM.

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

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

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

ITEM NO.9

Pursuant to G.O.Rt.No.259 Public (Special A) Department dt.24.1.12 issued by the Govt. of Tamil Nadu and in terms of Article 139 of the Articles of Association of the Company, the Board of Directors have passed a resolution appointing Thiru Santosh K Misra IAS as Managing Director of the Company with effect from 25.1.12.

Pursuant to Sec.269 read with Schedule XIII of the Companies Act, appointment of Managing Director has to be approved by the Members of the company in general meeting. The terms and conditions of his appointment including remuneration payable to him are governed by the orders of the Govt. of Tamil Nadu vide G.O.Ms.No.167 Public (Special A) Department dt.21.2.94 read with G.O.Ms.No.495 Finance(BPE) Department dt.18.7.88. Copies of the abovesaid orders are available for inspection by any of the shareholders at the Registered Office of the company.

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

None of the Directors of the Company other than Thiru Santosh K Misra IAS is interested or concerned in the resolution.

The documents referred to in the notice and the explanatory statement will be available for inspection at the registered office of the company on any working day during business hours of the company.

BY ORDER OF THE BOARD

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

A VELLIANGIRI
 Dy. Managing Director & Secretary

DIRECTORS' REPORT**TO THE MEMBERS**

The Directors have pleasure in presenting the Thirtysecond Annual Report and the Audited Accounts of the Company for the financial year ended 31.3.2012.

1. FINANCIAL RESULTS

The Financial performance of the company for the year under review is summarized in the table below :

Particulars	(Rs. in crore)	
	2011-12	2010-11
Revenue from operation	1522.92	1208.50
Other income	16.07	16.54
Operating Profit (PBIDT)	435.43	362.75
Finance cost	141.26	44.24
Gross Profit (PBDT)	294.16	318.51
Depreciation	169.05	123.37
Profit before tax	125.11	195.14
Provision for tax	16.17	46.14
Profit after tax	108.94	149.00
Balance brought forward	20.91	20.83
Profit Available for appropriation	129.85	169.83
APPROPRIATIONS		
Transfer to General Reserve	63.00	103.00
Debenture Redemption Reserve	5.70	5.70
Proposed Dividend	34.61	34.61
Tax on Dividend	5.61	5.61
Balance carried forward	20.93	20.91
	129.85	169.83

The year 2011-12 was a challenging year for the Paper Industry in India. The overall slowdown in the economy reduced demand for paper substantially. At the same time, capacity increases by almost all paper mills increased supplies enormously. As a consequence, prices declined steeply in the market – while input costs, labour costs and interest rates escalated. Profit margins of all paper mills – including TNPL – were therefore dramatically eroded and were at the lowest in recent history. Despite the adverse market environment, the operating profit of TNPL was higher than in the previous year. This performance is indeed a commendable achievement by the Management.

2. DIVIDEND

Your Directors recommend a dividend of 50% for the financial year ended 31.3.2012. The dividend, if approved by the shareholders, will be paid to all the equity shareholders whose names appear in the Register of Members as on 21.9.2012. The proposed

dividend of 50%, will cost the company Rs.40.22 crores, inclusive of taxes.

3. PERFORMANCE HIGHLIGHTS OF THE YEAR**a) Operations**

- Sales turnover crossed Rs.1500 crores for the first time in the Company's history
- Export sales reached an all time high of 80459 tons – 24% over the previous year
- Paper production increased from 265044 Mts. to 343306 Mts., made possible by the completion of the Mill Expansion Plan (MEP) during the year.
- Hardwood Pulp production increased from 97492 Mts. to 107769 Mts.
- Chemical bagasse pulp production increased by 24% from 133978 Mts. to 165914 Mts.
- The wind farm generated 500.64 lakh units of "GREEN POWER" and earned a profit of Rs.2.86 cr.
- The cumulative area under plantation was increased to 82025 acres. 15218 acres were added during the year benefiting 3006 farmers.
- The Bio-methanation Plant generated 87.35 lakh cubic metres of methane gas enabling the company to reduce consumption of furnace oil by 5207 KL valued at Rs.19.07 crores.
- 27680 RENEWABLE ENERGY CERTIFICATES (REC) were received by the company for generating power exclusively using steam produced in the recovery boiler. TNPL is the FIRST in the paper industry to have been awarded this benefit.
- Substantial progress has been achieved in the implementation of three important projects, i.e. setting up a 300 tpd De-inking Plant, Revamping of power and steam system and Construction of a 600 tpd mini cement plant to consume the highly polluting fly ash and lime sludge generated as waste by the factory. All three projects will be completed in 2012-2013.
- The company received the following awards and accolades:
 - The 'Environmental Strategy of the Year award for 2011' from PPI (Pulp and Paper International) magazine. Many global players competed for this prestigious award and TNPL emerged as the sole winner
 - The National Award for "Excellence in Water Management 2011" from the Confederation of Indian Industry (CII) for the best water management in India in the industrial sector
 - The Emergent Ventures India Green Business Survey has ranked TNPL No.5 among High