

**MINUTES OF THE THIRTYFOURTH ANNUAL GENERAL MEETING OF THE MEMBERS OF TAMIL NADU NEWSPRINT AND PAPERS LIMITED HELD ON MONDAY THE 15<sup>TH</sup> SEPTEMBER 2014 AT 10.15 AM AT MUSIC ACADEMY, 168 T T K ROAD, CHENNAI 600 014**

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**PRESENT**

Tvl.

1. C V Sankar IAS	Chairman and Managing Director
2. Mahesan Kasirajan IAS	Director
3. V Narayanan	Director
4. N Kumaravelu	Director
5. V Nagappan	Director
6. Tmt. Sarada Jagan	Director
7. A Velliangiri	Dy. Managing Director
8. R Mani	Director (Operations)
9. D Padmanabhan Under Secretary to Govt.	Representing Governor of Tamil Nadu, Shareholder
10. P Venkatesan	Representing LIC, Shareholder
11. Other shareholders	As per Annexure

**BY INVITATION**

Thiru G Vasudevan Partner, M/s. Raman Associate.

The meeting started with a prayer.

The Chairman welcomed the members and introduced the Board of Directors to the members. The Chairman mentioned that quorum was present. The Register of Directors and Key Managerial Personnel and their shareholding and Register of Contracts in which the directors are interested are available for inspection. There were 6381 shareholders present in person for the meeting and 116 shareholders through proxy. The meeting was called to order.

Notice convening the meeting was taken as read. As there was no adverse qualification, the Audit report was not read out in line with the provisions of Section 145 of the Companies Act, 2013.

The Chairman then addressed the meeting. The company commenced production in 1984 with an initial capacity of 90,000 tpa and increased the capacity to 4,00,000 tpa in stages.

During the year the company has achieved an all time high production of 3,87,714 mts. equivalent to 96.93% of the installed capacity . The company has exported 65875 mts. to 35 countries and achieved an all time high sales of 3,91,843 mts Sales crossed Rs.2000 cr. The company achieved 'Zero' stock of PWP at the end of the financial year.

The PBIDT improved from Rs.422.06 cr. in the previous year to Rs.523.21 cr. during the current year. PBT increased from Rs.126.11cr. in the previous year to Rs.202.68 cr. during the current year.

Despite huge requirement of funds for capex and repayment of loans , the Board of Directors have recommended payment of dividend at 60% against 50% in the previous year.

The company has raised pulpwood plantation in 8474 acres of land during the year and achieved the target of 1,00,000 acres benefitting 18,709 farmers across the State.

The company has commissioned a new CFBC boiler of 125 tph and a new TG set of 41 MW power generation . Surplus power of 7 MW is exported to the State grid.

The company has commissioned a 300 tpd state-of-the- art De-inking Pulp Plant , which is an important milestone in the history of the company.

The company has set up a 100 tpd Wet Ground Calcium Carbonate plant and a 200 tpd Precipitated Calcium Carbonate plant on BOO basis .

The company has received 1,28,043 RECs for the green power generated using the steam produced in the Recovery boiler and sold 66,854 RECs generating a revenue of Rs.10 cr. The balance RECs have been carried forward to 2014-15 for disposal.

Since March 2014, the domestic demand has slowed down. The market is expected to improve from November 2014 onwards. The company has strengthened its dealers' network across the country to improve sales.

The company is setting up a state-of-the-art Multilayer Double Coated Board Plant of 2,00,000 MT per annum capacity at a capital outlay of Rs.1500 cr. The project is expected to be completed by December 2015.

The company has developed an eco-friendly paper under the brand name 'GreenPal'. The GreenPal paper produced using only bagasse pulp and de-inked pulp, will be used for manufacture of student notebooks and multipurpose office stationery. The company has initiated action to set up a Centre for conversion of paper and packaging board at a capital outlay of Rs.40 cr. and increase the cement production capacity from 600 tpd to 900 tpd at a capital outlay of Rs.30 cr.

Then, the Chairman welcomed queries from members on the accounts and performance of the company.

The shareholders, in general, appreciated the management for the information provided in the Annual Report and the performance achieved during the year. Queries were raised on the subjects such as issue of bonus shares, rights shares, taxes and duties, enhancing the dividend, market conditions etc.

On a query as to why the company is not producing newsprint, the Chairman informed that newsprint production at the current price level is highly uneconomical. Therefore, the company is producing only Printing and Writing paper.

As regards a query on quality of cement produced, the Chairman informed that the cement produced by the company meets the ISI standards and the cement is well accepted in the market.

Replying to a request on arranging shareholders' visit to factory, the Chairman informed that the management will look into the feasibility of arranging a visit to the factory for few members based in Chennai.

The Chairman informed the members that the company has done an excellent work in setting up tissue culture laboratory and raising pulpwood plantation in over 1 lakh acres across the State. The company has built water reservoirs inside the factory to meet water shortage during summer months.

Despite bad market conditions, the company achieved 'zero stock' at the end of the financial year.

As regards claims from Income tax and Central Excise dept. shown under contingent liability, the Chairman informed that the company has examined in detail all the cases. The company's auditors and tax consultants have been consulted. There have been cases where despite the company having obtained favourable orders from the appellate forums in the past, the departments on similar issues have levied taxes. The company has a strong case in all the

claims . We have to follow the legal process to get favourable orders from the appellate authorities .

As regards a query on shares physically held , the Chairman informed that the company will request the shareholders through the RTA to demat the shares .

As regards increasing dividend from 50% to 60%,the Chairman informed that while recommending dividend of 60% the Board of Directors had taken into account all aspects including funds required for new project and repayment of loans . This increase of dividend from 50% to 60% involves an additional cash outflow of about Rs.7 crore.

As regards the query on issue of bonus shares and rights shares, the Chairman informed that the company has studied the market scenario, profitability and the fund requirements . Issue of bonus/rights shares is not possible at present.

Regarding queries on Board's policy and functioning, the Chairman informed that the Board of Directors of the company are distinguished persons. It is a matter of pride for the company to have such distinguished members of the public as members in the Board. The Chairman also suggested that in the AGM, the shareholders should raise only issues that are relevant to Accounts and items covered in the Agenda. As much as possible, as informed in the Notice to the AGM, members desiring any information as regards accounts are requested to write to the company at least 7 days before the meeting to enable the management to keep the information ready.

Few shareholders requested the company to withdraw the defamatory case filed by the company against one of the shareholders who had made certain derogatory remarks against one of the Directors of the company in the previous AGM.

The Chairman thanked the members who have attended the meeting and assured the members that the company will continue to put forth its best efforts and shall remain as one of the best companies in the Indian paper industry.

The Chairman announced that those members who had not exercised their votes through e-voting, can exercise their votes through the physical ballot paper in Form MGT 12 which was made available to them.

After conclusion of Poll, Chairman announced that the final results of the voting (after consolidating the result of e-voting and poll) will be announced to the Stock Exchanges and hosted on the website of the company within 48 hours.

The final results of the voting as announced to Stock Exchanges and the resolutions passed are as under:

1. Adoption of Financial Statements (Ordinary Resolution)

S.No.	Particulars	E-voting	Poll	Total(e-voting and poll)
1.	No. of valid votes received	40807675	1056750	41864425
2.	Votes in favour of the resolution	40807675	1056675	41864350
3.	Votes against the resolution	-	75	75
4.	Number of invalid votes	685879	-	685879
5.	Abstained votes	-	100	100
6.	% of votes in favour			99.9998

RESOLVED THAT the Balance Sheet of the Company as on 31.3.2014, audited Statement of Profit and Loss for the year ended 31.3.2014, Auditors' Report thereon and Directors' Report of the Company as circulated be and are hereby received and adopted

2. Declaration of dividend (Ordinary Resolution)

S.No.	Particulars	E-voting	Poll	Total(e-voting and poll)
1.	No. of valid votes received	40807675	1056750	41864425
2.	Votes in favour of the resolution	40807675	1056694	41864369
3.	Votes against the resolution	-	56	56
4.	Number of invalid votes	685879	-	685879
5.	Abstained votes	-	100	100
6.	% of votes in favour			99.9999

RESOLVED THAT dividend at the rate of 60% 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 15.9.2014 and in the case of shares held in dematerialised form, dividend be paid to beneficial holders of NSDL/CDSL as of 5.9.14

3.Appointment of Thiru T Udhayachandran IAS as Director who retires by rotation  
(Ordinary Resolution)

S.No.	Particulars	E-voting	Poll	Total(e-voting and poll)
1.	No. of valid votes received	40807675	1056735	41864410
2.	Votes in favour of the resolution	40735892	1056660	41792552
3.	Votes against the resolution	71783	75	71858
4.	Number of invalid votes	685879	-	685879
5.	Abstained votes	-	115	115
6.	% of votes in favour			99.8284

RESOLVED THAT Thiru T Udhayachandran IAS Director, be and is hereby reappointed as Director of the Company

4 Payment of Remuneration to M/s.Raman Associate(Firm Regn.No.002910S)  
Statutory Auditors (Ordinary Resolution)

S.No.	Particulars	E-voting	Poll	Total(e-voting and poll)
1.	No. of valid votes received	40807675	1056750	41864425
2.	Votes in favour of the resolution	40807335	1056645	41863980
3.	Votes against the resolution	340	105	445
4.	Number of invalid votes	685879	-	685879
5.	Abstained votes	-	100	100
6.	% of votes in favour			99.9989

RESOLVED THAT consent of the Company be and is hereby accorded for payment of remuneration of Rs.7,50,000/-(Rupees Seven lakhs fifty thousand only) to M/s. Raman Associate(Firm Registration No.002910S) 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/Tamilnadu,TNEWSP(1)/107 dt.30.7.2013

5.Payment of Remuneration to M/s.Raman &Associates(Firm Regn.No.0050)  
Cost Auditors (Ordinary Resolution)

S.No.	Particulars	E-voting	Poll	Total(e-voting and poll)
1.	No. of valid votes received	40807675	1056725	41864400
2.	Votes in favour of the resolution	40807335	1056650	41863985
3.	Votes against the resolution	340	75	415
4.	Number of invalid votes	685879	-	685879
5.	Abstained votes	-	125	125
6.	% of votes in favour			99.9990

RESOLVED THAT subject to the approval of the Central Government , pursuant to the provisions of Companies Act 2013 read with Companies (Audit and Auditors) Rules 2014, M/s.Raman & Associates., (Firm Registration No.0050) Cost and Management Accountants, Chennai , appointed by the Board as Cost Auditors to conduct the audit of the cost accounts of the company for Paper, Cement and Energy for the financial year 2014-15 as per the directions which may be issued by the Central Government at a fee of Rs 1,80,000/- , besides reimbursement of travelling and out of pocket expenses at Rs.30,000/- be and is hereby approved and ratified

6.Appointment of Thiru V Narayanan as an Independent Director (Ordinary Resolution)

S.No.	Particulars	E-voting	Poll	Total(e-voting and poll)
1.	No. of valid votes received	40807675	1056650	41864325
2.	Votes in favour of the resolution	40735892	1056530	41792422
3.	Votes against the resolution	71783	120	71903
4.	Number of invalid votes	685879	-	685879
5.	Abstained votes	-	200	200
6.	% of votes in favour			99.8282

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 ,Thiru V Narayanan (holding DIN 00081673) ,Director of the company and in respect of whom the company has

received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director of the company be and is hereby appointed as an Independent Director of the company to hold office for three consecutive years for a period upto 31.3.2017, not liable to retire by rotation

7.Appointment of Thiru N Kumaravelu as an Independent Director (Ordinary Resolution)

S.No.	Particulars	E-voting	Poll	Total(e-voting and poll)
1.	No. of valid votes received	40807675	1056650	41864325
2.	Votes in favour of the resolution	40807242	1056530	41863772
3.	Votes against the resolution	433	120	553
4.	Number of invalid votes	685879	-	685879
5.	Abstained votes	-	200	200
6.	% of votes in favour			99.9987

RESOLVED that pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013) Thiru N Kumaravelu (holding DIN 00147683) , Director of the company and in respect of whom the company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director of the company be and is hereby appointed as an Independent Director of the company to hold office for three consecutive years for a period upto 31.3.2017, not liable to retire by rotation

8. Appointment of Thiru M R Kumar as an Independent Director (Ordinary Resolution)

S.No.	Particulars	E-voting	Poll	Total(e-voting and poll)
1.	No. of valid votes received	40807675	1056650	41864325
2.	Votes in favour of the resolution	40336257	924988	41261245
3.	Votes against the resolution	471418	131662	603080
4.	Number of invalid votes	685879	-	685879
5.	Abstained votes	-	200	200
6.	% of votes in favour			98.5594



RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Thiru M R Kumar (holding DIN 03628755) , Director of the company and in respect of whom the company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director of the company be and is hereby appointed as an Independent Director of the company to hold office for three consecutive years for a period upto 31.3.2017, not liable to retire by rotation

**9.Appointment of Thiru V Nagappan as an Independent Director (Ordinary Resolution)**

S.No.	Particulars	E-voting	Poll	Total(e-voting and poll)
1.	No. of valid votes received	40807675	1056650	41864325
2.	Votes in favour of the resolution	40807242	1056500	41863742
3.	Votes against the resolution	433	150	583
4.	Number of invalid votes	685879	-	685879
5.	Abstained votes	-	200	200
6.	% of votes in favour			99.9986

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013, Thiru V Nagappan (holding DIN 01271378) Director of the company and in respect of whom the company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing his candidature for the office of a Director of the company be and is hereby appointed as an Independent Director of the company to hold office for three consecutive years for a period upto 31.3.2017, not liable to retire by rotation

10.Appointment of Tmt.Sarada Jagan as an Independent Director (Ordinary Resolution)

S.No.	Particulars	E-voting	Poll	Total(e-voting and poll)
1.	No. of valid votes received	40807675	1056650	41864325
2.	Votes in favour of the resolution	40807135	1056500	41863635
3.	Votes against the resolution	540	150	690
4.	Number of invalid votes	685879	-	685879
5.	Abstained votes	-	200	200
6.	% of votes in favour			99.9984

RESOLVED THAT pursuant to the provisions of Sections 149, 150, 152 and any other applicable provisions of the Companies Act, 2013 and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 Tmt.Sarada Jagan (holding DIN 06658674) ,Director of the company and in respect of whom the company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 proposing her candidature for the office of a Director of the company be and is hereby appointed as an Independent Director of the company to hold office for three consecutive years for a period upto 31.3.2017, not liable to retire by rotation

11.Appointment of Thiru Mahesan Kasirajan IAS as Director (Ordinary Resolution)

S.No.	Particulars	E-voting	Poll	Total(e-voting and poll)
1.	No. of valid votes received	40807675	1056650	41864325
2.	Votes in favour of the resolution	38255738	924983	39180721
3.	Votes against the resolution	2551937	131667	2683604
4.	Number of invalid votes	685879	-	685879
5.	Abstained votes	-	200	200
6.	% of votes in favour			93.5898

RESOLVED THAT Thiru Mahesan Kasirajan IAS (holding DIN 05102717) who was appointed Additional Director pursuant to the provisions of Sec.161 of the Companies Act, 2013, who ceases to hold office at this Annual General Meeting and in respect of whom the company has

received a notice pursuant to Sec.160 of the Companies Act, 2013 be and is hereby appointed a Director of the company liable to retire by rotation

**12.Appointment of Thiru C V Sankar IAS as Chairman and Managing Director (Ordinary Resolution)**

S.No.	Particulars	E-voting	Poll	Total(e-voting and poll)
1.	No. of valid votes received	40807675	1056750	41864425
2.	Votes in favour of the resolution	38318595	925133	39243728
3.	Votes against the resolution	2489080	131617	2620697
4.	Number of invalid votes	685879	-	685879
5.	Abstained votes	-	100	100
6.	% of votes in favour			93.7400

RESOLVED THAT pursuant to the provisions of Secs.196, 197 , 203 , Schedule V and other applicable provisions, if any, of the Companies Act, 2013 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 C V Sankar IAS(holding DIN 00703204) as Chairman & Managing Director of the company w.e.f.25.10.2013 on such terms and conditions and such remuneration as may be prescribed by the Government of Tamil Nadu from time to time.

**13.Appointment of Thiru A Velliangiri as Deputy Managing Director (Ordinary Resolution)**

S.No.	Particulars	E-voting	Poll	Total(e-voting and poll)
1.	No. of valid votes received	40807675	1056750	41864425
2.	Votes in favour of the resolution	40735892	1056675	41792567
3.	Votes against the resolution	71783	75	71858
4.	Number of invalid votes	685879	-	685879
5.	Abstained votes	-	100	100
6.	% of votes in favour			99.8284

RESOLVED THAT consent of the company be and is hereby accorded to the appointment of Thiru A Velliangiri(holding DIN 00153169) as Deputy Managing Director of the company for a period of two years w.e.f.19.12.2013

RESOLVED FURTHER THAT pursuant to the provisions of Sec.196,197,203, Schedule V and all other applicable provisions, if any of the Companies Act, 2013 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 for payment of remuneration to Thiru A Velliangiri, Deputy Managing Director as below with effect from 19.12.2013 notwithstanding the absence or inadequacy of profits during any financial year:

Particulars	Rs.
Basic Pay	90000
Special Pay	20000
Dearness Allowance	67050
House Rent Allowance	33000
Other allowances	43704
Provident Fund to be paid at 12% on the Basic Pay plus Special pay and Dearness Allowance	

RESOLEVED FURTHER THAT Thiru A Velliangiri will not be entitled to any sitting fee for attending the meetings of the Board or any Committee thereof

14.Appointment of Thiru R Mani as Director (Operations) (Ordinary Resolution)

S.No.	Particulars	E-voting	Poll	Total(e-voting and poll)
1.	No. of valid votes received	40807675	1056750	41864425
2.	Votes in favour of the resolution	40735892	1056645	41792537
3.	Votes against the resolution	71783	105	71888
4.	Number of invalid votes	685879	-	685879
5.	Abstained votes	-	100	100
6.	% of votes in favour			99.8283

RESOLVED THAT consent of the company be and is hereby accorded to the appointment of Thiru R Mani (holding DIN 06543489) as Director(Operations) of the company for a period of one year w.e.f.27.2.2014

RESOLVED FURTHER THAT pursuant to the provisions of Sec. 196,197,203, Schedule V and all other applicable provisions, if any, of the Companies Act, 2013 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 for payment of remuneration to Thiru R Mani , Director(Operations) as below with effect from 27.2.2014 notwithstanding the absence or inadequacy of profits during any financial year:

Particulars	Rs.
Basic Pay	68000
Dearness Allowance	47155
Special Allowance	3850
General Monthly Medical Reimbursement	9592
Other allowances	16462
1.Provident Fund and Superannuation Fund to be paid at 12% and 14% respectively on the Basic Pay and Dearness Allowance 2.Free housing provided in the company's quarters	

RESOLEVED FURTHER THAT Thiru R Mani will not be entitled to any sitting fee for attending the meetings of the Board or any Committee thereof

There being no other business, the meeting ended with a vote of thanks to the Chair.

The National Anthem was played before the Meeting was concluded.

**C V SANKAR**  
**CHAIRMAN AND MANAGING DIRECTOR**

## ANNEXURE

- 1) 6497 shareholders (including proxies) attended the 34<sup>th</sup> AGM held on 15.9.2014.
- 2) List of shareholders who spoke at the meeting are given below:

<b>FOLIO NO./DP ID./ CLIENT ID NO.</b>	<b>NAME</b>
	<b>Tvl.</b>
IN303028/53576643	B Sriram
IN302148/10109728	T R Sridharan
IN301774/10308922	S Padmanabhan
IN300360/10033537	P Subramaniam
IN301356/40001920	L V Rajarathnam
IN302902/51032698	P T Srinivasan/P N Thiyagarajan
IN301637/40117566	R Sivakumar
1204470005731511	Ramalingam Vidyasankar
IN300513/13545086	P V John
IN301080/10543543 & 10543551	G R Rajagopalan