

DIRECTORS' REPORT

TO THE MEMBERS

Your Company's Directors are pleased to present the 40th Annual Report of the Company along with Audited Accounts for the financial year ended 31st March, 2020.

1. FINANCIAL RESULTS

The Financial Results for the year under review are summarized below:

(₹ in Crore)

Particulars	2019-20	2018-19
Revenue from operations	3471.11	4082.71
Other Income	37.52	39.24
Operating Profit (PBIDT/EBIDTA)	644.36	615.24
Finance cost	222.59	233.36
Gross Profit (PBDT)	421.77	381.88
Depreciation & Amortization expense	231.24	226.68
Profit/Loss before tax (PBT)	190.53	155.20
Tax Expense	60.50	60.81
Profit/Loss after tax (PAT)	130.03	94.39
Other Comprehensive Income	(2.92)	(4.12)
Total Comprehensive Income (Net of Taxes)	127.11	90.27

The overall results are satisfactory as the company had to contend with severe raw materials shortages, steep escalation in costs and reduced production level due to COVID 19 pandemic. The slowdown and softening of demand during the current year resulted in reduction in sales volume. However your Company in comparison with past years achieved better sales realisations as well as production levels and improved efficiency across all areas of operation.

Due to softening of demand for Printing & Writing Paper for major part of the year ended March 2020 and despite increase in input costs in procurement of bagasse and other raw materials, the Company has earned a PBT of Rs. 190.53 Crores. This performance in adverse environment is a commendable achievement by the Management.

2. DIVIDEND

In accordance with The Companies (Declaration and Payment of Dividend) Rules, 2014, your directors recommend a dividend of 60% (i.e. Rs. 6/- per share) for the year ended 31st March, 2020. The dividend, if approved by the shareholders at the Annual General Meeting, will be paid to the equity shareholders whose names appear in the Register of Members as on 18th September, 2020. The cash outgo on the proposed dividend will be Rs. 41.53 Crs.

3. TRANSFER TO RESERVES

The Company has transferred Rs. 75 crore to General Reserves out of the amount available for appropriation. Rs. 88.24 crore is proposed to be retained in the profit and loss account.

4. PERFORMANCE HIGHLIGHTS OF THE YEAR

a. Operations

1. The Company's turnover during the year 2019-20 is Rs. 3437.60 crore.
2. Profit before tax is Rs. 190.53 crore and Profit after tax Rs. 130.03 crore.

Printing and Writing Paper

3. During the year the Paper production was 3,92,250 MT.
4. Achieved Paper sales of 3,78,022 MT during the FY 2019-20. Domestic Sales accounts for 81% and Exports at 19%.

Packaging Paper Board

5. The packaging paper board plant production was 1,72,776 MT during the financial year 2019-20, equivalent to 86% of capacity.
6. The packaging paper board sales during the year 2019-20 was 1,71,785 MT. Domestic Sales accounts for 97%.
7. 3,30,358 tonnes of Hardwood, chemical Bagasse Pulp and Deinked Pulp were produced during the year.
8. 7658 lakh units of power was generated of which 7242 lakh units of power was consumed and 553 lakh units exported to the State Power Grid. Power drawn from

State Grid and consumed only 2.14% of total power consumed.

9. The bio-methanation plants have generated methane gas of 62.13 lakh m³ during 2019-20. The methane gas was consumed in lime kiln and power boilers in replacement of furnace oil 3593.3 KL and imported coal 262 MT
10. The wind farms with an installed capacity of 35.5 MW capacity have generated 404.91 lakh Kwh Units of 'Green Power' during the year.
11. The paper & pulp mill have implemented various water conservation projects and reduced the overall consumption of water to 35 KL/per ton of paper which is one of the lowest in paper industry.
12. TNPL is the First and only company in the Indian Paper Industry to have established a cement manufacturing factory to convert the mill wastes lime sludge and flyash into high grade cement as part of its solid waste management system. During the year, the Company has manufactured 2,52,303 MT of cement.
13. During the year 2019-20, overall borrowings increased by Rs. 218 crore.
14. Market Capitalization was Rs. 615.63 crore as on 31.03.2020.

b. Projects Implemented:

Key Development Projects Implemented

Installation of additional sheeting facility in Unit II

To cater to the sheet orders of the Paper boards, the company planned installation of an additional sheet cutter of capacity 100 tonnes/day, at a capital outlay of Rs.10 Crore. A state-of-the-art sheet cutting machine was ordered on M/s.Milltex, Italy. The sheet cutter was delivered in July 2019, as scheduled. The machine has since been erected and commissioned during October 2019. With this facility, the Unit II is able to cater to the growing sheeting demand of the market.

Upgrade of Chlorine dioxide plant in Unit I

The Unit I has an integrated Chlorine dioxide plant of capacity 15 tpd, to cater to the bleach chemical

demands of the pulp mill. With stabilization of the pulp mill, improved production levels has been achieved. In order to meet the surge in chemical demands especially while handling varying quality of input raw materials, the Chlorine dioxide plant was found to be a bottleneck. Therefore, the company planned an upgrade of the Chlorine dioxide with marginal modifications in the electrical systems, at an estimated capital outlay of Rs.5 Crore. As planned, the upgrade was completed by August 2019, well within the budget. Now, the company is in a position to achieve the chemical production to meet demands of the pulp mill

PROJECTS UNDER IMPLEMENTATION

Mill Expansion Plan of TNPL Unit II

As part of its growth plan, TNPL has embarked on a Mill Expansion Plan (MEP) to enhance the capacity of TNPL Unit II by 1,65,000 MT per annum, by installing a Paper Machine along with captive pulping facility, at an estimated capital outlay of Rs.2520 Crore. The formal Environment clearance for the project was received from the Ministry of Environment, Forest and Climate Change (MOEFCC), New Delhi, vide its order dated April 04, 2019. .

TNPL has proposed to implement the project in two phases as below:

- Under Phase 1, the HWP line with a capacity of 140,000 MT per annum with the following scope shall be set up
- Under Phase 2, the Paper Machine of 165,000 MT/annum along with a Power plant shall be implemented following commissioning of Phase 1

The Phase 1 of the project will feature installation of a state-of-the-art chemical hardwood pulping along with chemical recovery facility and augmentation of service utilities viz., Captive power plant and Waste water treatment plant. The financial closure of Phase 1 of the project was achieved in October 2019.

Towards implementation of Phase 1 of the project, the company has completed ordering of all the major, long delivery plant and machineries like Hardwood Pulp Mill, Chemical Recovery Boiler, Black liquor Evaporator, 20 MW Turbo Generator, Air Cooled Condenser, Lime Kiln, Recausticizing plant, etc. The Contractor for carrying out the civil construction works for the project, has been finalized.

Following foundation stone laying by Chief Minister of Tamil Nadu on 1st November 2019, the civil works at site is proceeding at full swing. The delivery of materials for the Chemical Recovery boiler has commenced from January 2020 and the erection of boiler is in progress. The Pulp Mill equipment are scheduled for delivery from June 2020. The Pulp mill erection will be commenced from August 2020.

As per the schedule drawn considering the delivery of the plant and machinery, the commissioning is fixed as May 2021. However, following the pandemic situation arising on account of COVID 19, the civil construction as well as erection activities had to be suspended with effect from 25th March 2020. The impact of the suspension on the project schedule is being assessed.

Revamping of Bio-gas reactor in TNPL Unit I

The Bio-methanation plant of TNPL has six (6) nos. of UASB reactors. On an average these reactors produce about 30,000 M³/day of bio-gas, resulting in saving of about 15 KL of Furnace oil. However, two of the reactors installed in the year 2002-03 needed revamping to improve the efficiency and to effectively capture the bio-gas effectively besides extending the life of the reactors. The company has taken up revamping by changing the internals and replacing the Carbon steel hoods with Stainless steel hoods. Out of the two reactors, one reactor was repaired and hoods were revamped and commissioned in March 2019. The performance is found to be satisfactory. Following this, the revamp job on the next reactor has been taken up. The job was commenced in November 2019 and is scheduled to be completed in July 2020.

c) Contribution to Environment

- 1) TNPL is one among the 27 of the world's most important pulp and paper manufacturers participated in WWF Environmental Paper Company Index (EPIC) 2019.
- 2) Production of 1,41,765 MT of bagasse pulp and 73,372 MT of Deinked pulp during the year has facilitated conservation of 9.50 Lakh MT of pulpwood.
- 3) "World Environment Day", "International Ozone Day" and "World Water Day" were celebrated involving school children in planting trees.

- 4) The Company has generated about 404.91 Lakh KWH Wind energy during 2019-20.
- 5) 62.13 Lakh m³ methane generated in the Bio-methanation plant was consumed in lime kiln and Power Boilers saving 3593.3 KL of Furnace oil and 262 Mt of imported coal.

d. Corporate Social Responsibility (CSR)

The Company has undertaken CSR activities as per the CSR policy (available on your company's website www.tnpl.com) the details are contained in the Annual Report on CSR activities vide **Annexure – I**, forming part of this Report.

e. Contribution to Innovation and New knowledge development

1. The company nurtures creativity and innovation through its R&D activities which are carried out largely in-house. A few activities are out sourced when warranted.
2. The R&D activities focus on product development, process improvement, raw material substitution, development of new products and protection of the environment.
3. The company has spent Rs. 10.52 Crores on R & D activities during the year.

f. Awards

The company received the following awards and accolades during the year:

- 1) TNPL has been honoured with the "Water Stewardship Award" by M/s Indian Chamber of Commerce, Kolkatta for the third time (2018, 2019 and 2020) during India Corporate Governance and Sustainability Vision Summit 2020 held on 18.02.2020 at New Delhi.
- 2) TNPL being one among the 11 companies, received both shield and certificate for "Industry Excellence Award" during IEI Centenary Industry Excellence Award Ceremony, New Delhi in the month of November, 2019.
- 3) TNPL has been awarded the "Golden Peacock Award for Energy Efficiency" for the year 2019 by Institute of Directors (IOD), India during 21st World Congress on Environment Management and Climate Change and Golden Peacock Awards Presentation Ceremony at JW Marriot Hotel, Bengaluru in the month of July, 2019.

5. MARKET TRENDS

a) Printing and Writing Paper

The printing and writing paper demand was stagnant during the year 2019-20, as compared to the market which prevailed during the previous fiscal year. Imports of Writing and Printing paper in large quantities from Indonesia and other East Asian economies have impacted the price trends of Writing & Printing grades of paper in the year 2019-20. In view of this Indian Mills had to review their pricing in the market to avoid stock build up. In addition to this the world wide pandemic of CORONA Virus, has had a significant impact on the seasonal demand during the month of March 2020, when the country was brought under complete LOCK DOWN, by the Union Government.

b) Packaging Boards

The Packaging Board Market improved in the second half of the FY – 2019-20 as the demand picked up marginally and sale volumes improved. Demand was better in recycled grades compared to Virgin grades where the competition was much higher and intense.

The market for Packaging Board is the fastest growing segment in the Paper & Board industry. Kraft & Grey-Back Board account for 55%, White-back and other high end varieties (FBB, SBS, Cup Stock.) account for the remaining 45%. The demand growth for packaging boards is estimated at 10-12% per annum.

Some key trends of packaging industry are growth in consumer packaged goods, growth of organized retail, increasing use of flexible packaging, increasing usage of tetra packs for diary and juice products, aseptic packaging, usage of recyclable packaging material, vacuum packaging, modified atmosphere packaging. Aerosol packaging, skin packaging, shrink and stretch packaging and tamper evident packaging etc.

OUTLOOK

a) Printing and Writing Paper

The domestic paper sector is highly impacted by the Lock down and various containment measures adopted by The Government of Tamil Nadu and India. The Various lockdown measures adopted by Union Government and State Governments are still in force. Schools and Colleges are expected to open in the later part of 2nd Quarter of the year. As a result, the requirement of paper for conversion into Note books and Books will be lower in comparison to a normal full year. Similarly, demand from other sectors are also subdued due to the COVID – 19 pandemic. However requirement of cut size papers is expected

to normalize at a faster pace than the other sectors, due to their requirements in printing of various reports during the pandemic. With both the state and central Government taking required measures to re start the Economy, slowly but steadily demand for W & P grades in various sectors are expected to commence. Overall the forecast for the year 2020-21 is subdued.

b) Packaging Boards

The present situation is expected to usher in higher packaging board's usage by the Pharma Industry. Added to this, the ban on one time use plastic bags, increase in home delivery of various products, could lead to higher demand of packaging grades of boards, through the e-commerce segment.

6. DIRECTORS & KEY MANAGERIAL PERSONNEL

The details of Directors/ key managerial personnel who were appointed or have ceased to be Director/ KMP of the Company during the year 2019-20 are as follows:

Sl. No.	Name of Director/KMP	Date of Appointment / Cessation	Appointment / Cessation
1.	Thiru. N. Narayanan, I.A.S., (Retd.)	13.07.2019	Ceased to be an Independent Director (1st Term)
2.	Thiru K Shanmugam, I.A.S.,	16.07.2019	Ceased to be a Director
3.	Thiru S Krishnan, I.A.S.,	16.07.2019	Appointed as Additional Director
4.	Thiru. N. Narayanan, I.A.S., (Retd.)	19.09.2019	Re Appointed as Additional (Independent) Director (2nd Term)
5.	Thiru. P. B. Santhanakrishnan	19.09.2019	Appointed as Additional (Independent) Director
6.	Dr M. Arumugam	19.09.2019	Appointed as Additional (Independent) Director

Sl. No.	Name of Director/KMP	Date of Appointment / Cessation	Appointment / Cessation
7	Thiru V. Nagappan	31.03.2020	Ceased to be a Director
8	Thiru V. Ramanathan	31.05.2020	Ceased to be CFO and KMP
9	Thiru V. Sivakumar	30.06.2020	Ceased to be Company Secretary and KMP
10	Thiru B. Ravishankar	30.06.2020	Appointed as Company Secretary and KMP

Your Company has nine directors out of whom five are independent and other three are Government nominee directors. The remaining one is Managing Director.

The independent directors are appointed for a fixed period of three years.

In accordance with the provisions of the Companies Act, 2013 and in terms of the Memorandum and Articles of Association of the Company, Tmt Reeta Harish Thakkar, I.A.S., Director retires by rotation at the forthcoming Annual General Meeting. She is eligible for reappointment as Director.

For the retirement by rotation, Managing Director is not liable for retirement by rotation as per Article 141 of the Articles of Association.

6.1 Declaration from Independent Directors on Annual Basis

The Independent directors have submitted their disclosure to the Board confirming that they fulfill all the requirements as to qualify for their appointment as an Independent Director under the provisions of Section 149 of the Companies Act, 2013 as well as SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, hereinafter referred to as SEBI Regulations. The Board confirms that the said independent directors meet the criteria as laid down under the Companies Act, 2013 as well as SEBI Regulations.

6.2 Remuneration Policy

The Board, on the recommendation of the Nomination & Remuneration Committee has framed a policy

for selection and appointment of Directors, Senior Management and their remuneration. The details of policy are provided in the website of the Company and in the Corporate Governance Report forming part of this report (**Annexure VII**).

6.3 Meetings

A calendar of Meetings is prepared and circulated in advance to the Directors.

During the year, Eight meetings of the Board and Nine meetings of the Audit Committee were convened and held, the details are given in the Corporate Governance Report forming part of this report (**Annexure VII**). The intervening gap between the Meetings was within the period prescribed under the Companies Act, 2013 and Regulation 17(2) of the SEBI Regulations.

6.4 Board Evaluation

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI Regulations, the Board has internally carried out an annual performance evaluation of its own performance, the directors individually as well as the evaluation of the working of its Audit and Nomination & Remuneration Committees for the financial year ended 31st March, 2020. The guidance note dated January 5, 2017 as suggested by SEBI was referred to, while carrying out the annual performance evaluation. A structured questionnaire was prepared after taking into consideration inputs received from the Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, Board culture, execution and performance of specific duties, obligations and governance.

A separate exercise was carried out to evaluate the performance of individual Directors including the Chairman of the Board, who were evaluated on parameters such as level of engagement and contribution, independence of judgement, safeguarding the interest of the Company and its minority shareholders etc. The performance evaluation of the Independent Directors was carried out by the entire Board on the following broad criteria i.e. attendance and level of participation at meetings of the Board/Committees, independence of judgement exercised by Independent Directors, interpersonal relationship etc.

The performance evaluation of the Chairman and the Non Independent Directors was carried out by the Independent Directors in their meeting held on 16.03.2020. The Directors expressed their satisfaction with the evaluation process.

7. INTERNAL COMPLAINTS COMMITTEE

The Company has constituted an Internal Complaint Committee (ICC) in accordance with Section 4 of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 & Rules made thereunder comprising of the following members :

1. Tmt. R. S. Tamilarasy, Emp. No.1664, Senior Manager (Lab) – Presiding Officer
2. Thiru. P. Sundaram, Emp.No.1879, Senior Manager – HR / Member
3. Tmt. M. Pemila Beham, Emp.No.3003, Officer – HR / Member
4. Thiru. M. Vellingiari, President Kanmani Trust, Karur – Member representing NGO

The above members are amongst employees preferably committed to the cause of women or who have had experience in social work or have legal knowledge. During the year under review, there were no complaints referred to the committee.

8. AUDITORS

a) Statutory Auditors : The Comptroller and Auditor General of India appointed M/s. Brahmayya & Co., Chartered Accountants, Chennai, as the Statutory Auditors of the Company for the financial year 2019-20.

b) Cost Auditors : Pursuant to Section 148 of the Companies Act, 2013 read with The Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the company in respect of its paper, cement and energy activities are required to be audited. Your Directors had, on the recommendation of the Audit Committee, appointed M/s Geeyes & Co, to audit the cost accounts of the company for the year 2019-20. The cost audit report for the year 2019-20 will be submitted to the Central Government before the due date. Cost Audit report

for the financial year 2018-19 was filed in scheduled time.

c) Secretarial Auditor: Pursuant to the provisions of Section 204 of the Companies Act, 2013 and The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s R. Sridharan & Associates, a firm of Company Secretaries in practice to undertake the Secretarial Audit of the company. The Report of the secretarial audit is annexed herewith as “**Annexure II**”.

9. NON- CONVERTIBLE DEBENTURES

No Non-Convertible Debentures is outstanding as on 31.03.2020.

10. FIXED DEPOSITS

During the year under review, the Company has not accepted deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and The Companies (Acceptances of Deposits) Rules, 2014.

11. RISK MANAGEMENT FRAMEWORK

TNPL has established a Risk Management Framework under which the risks covering the entire operation have been identified and categorized as high, medium and low.

All the risks are discussed periodically in the Senior Management Committee meetings and appropriate actions are taken pro-actively.

The risk details and mitigation plans are placed before the Audit Committee and the Board, bi-annually.

12. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

TNPL has instituted adequate internal control procedures commensurate with the size of its operations. TNPL has also prepared an ‘Internal Control Procedure Manual’ to ensure that the control procedures are followed by all departments. The departments concerned in the company are complying with the stipulations in the manual without deviating

the procedures. The Internal Audit Department monitors and evaluates the efficacy and adequacy of internal control system in the Company, its compliance with operating systems, accounting procedures and policies at all locations of the Company.

Internal controls are supported by internal audit and management reviews. The Audit Committee meets periodically with the Management, External-Internal auditors, Internal Auditors, Statutory Auditors and reviews the Annual Audit plans and internal controls. All significant observations of the Auditors are acted upon. The Audit Committee met 9 times during the financial year. The review of Management Response to Audit Observations constitutes an important aspect of the Agenda for each meeting.

13. VIGIL MECHANISM / WHISTLE BLOWER POLICY

The company has framed a Vigil Mechanism / Whistle Blower Policy; the details of such Policy are explained in the Corporate Governance Report and also posted on the website of the Company at www.tnpl.com.

14. PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the

Companies Act, 2013 are given in the notes to the Financial Statements.

15. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year, the company has transferred Rs.12,43,860.00/- being the Dividend amount which was due and payable and remained unclaimed and unpaid for a period of seven years, to the Investor Education and Protection Fund, as required under Section 124(5) of the Companies Act, 2013.

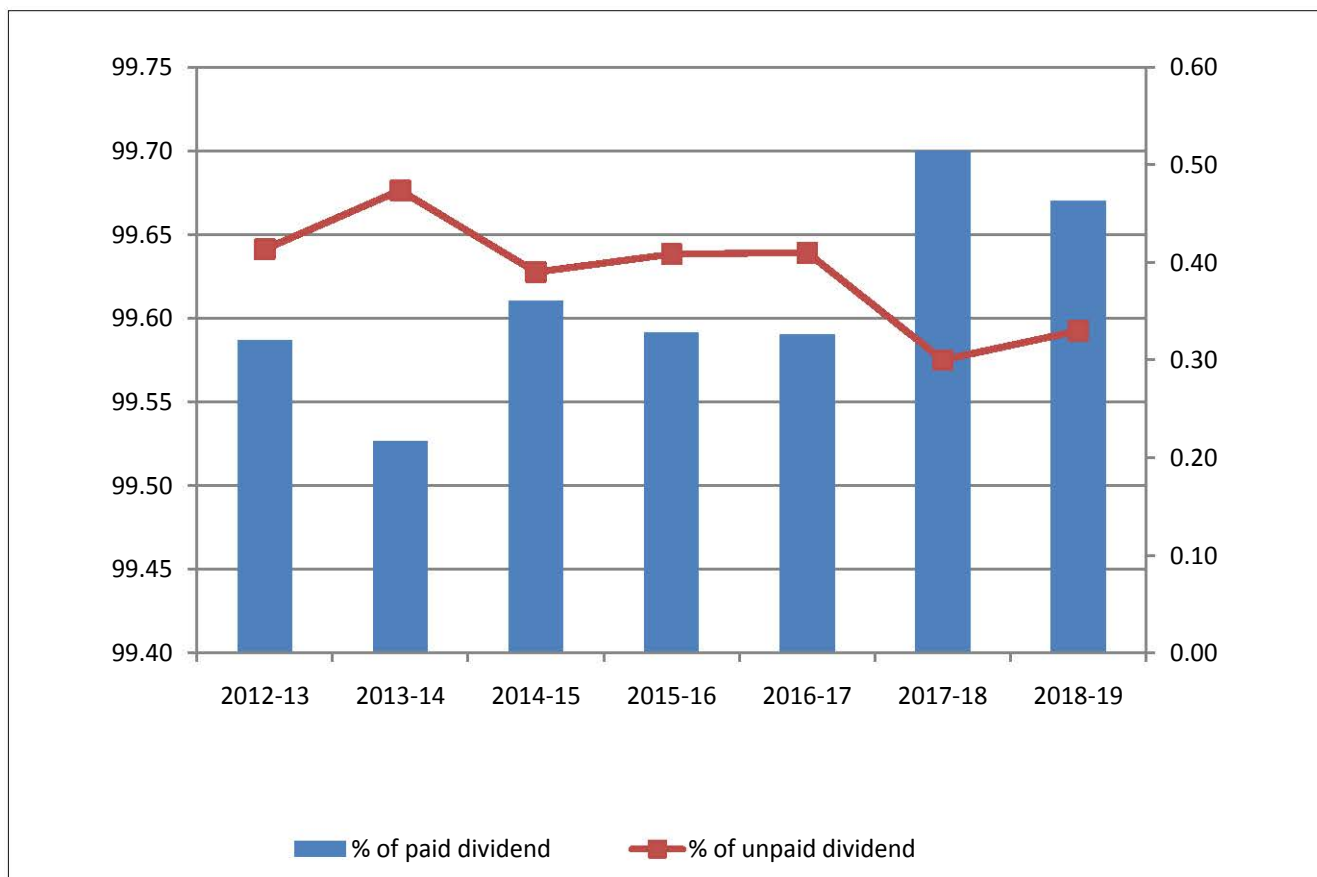
16. UNPAID DIVIDEND STATUS

Dividend was remaining unpaid due to non-confirmation of their new addresses by the concerned shareholders. The unpaid dividend warrants were returned by the postal authorities. Effective follow-up by the Company has resulted in Unpaid Dividend being consistently equal or below 0.5% of the total dividend. As and when the shareholders communicate the new address, the dividend is sent to the shareholders. At the end of seven years, the unpaid dividend is transferred to Investor Education and Protection Fund. The table and graph given below summarize the status of Unpaid Dividend.

DIVIDEND STATUS FOR THE LAST 7 YEARS

(₹ In lakhs)

SL No.	YEAR	SHARE CAPITAL	DIVI-DEND%	DIVIDEND AMOUNT	DIVIDEND PAID	DIVIDEND UNPAID AS ON 31.3.2019	% OF PAID DIVIDEND	% OF UNPAID DIVIDEND
1	2012-13	6921.06	50	3460.53	3446.40	14.13	99.59	0.41
2	2013-14	6921.06	60	4152.63	4133.13	19.50	99.53	0.47
3	2014-15	6921.06	60	4152.63	4136.36	16.27	99.61	0.39
4	2015-16	6921.06	75	5190.80	5169.59	21.04	99.59	0.41
5	2016-17	6921.06	75	5190.80	5169.29	21.51	99.59	0.41
6	2017-18	6921.06	50	3460.53	3450.18	10.35	99.70	0.30
7	2018-19	6921.06	75	5190.80	5173.47	17.33	99.67	0.33



17. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EARNINGS AND OUTGO

The particulars required under Sec. 134(3) (m) of the Companies Act 2013, read with the Rule 8 of The Companies (Accounts) Rules, 2014, is furnished in **Annexure III** to this Report.

18. HEALTH

An Occupational Health Centre is functioning on round the clock basis in housing colony with Four Medical Officers, Three Nurses, Two Pharmacists and Five Attenders to render Medical Assistance for the employees and their dependents. In addition, every Sunday, one Specialist Doctor in Cardiology, General Medicines, Ortho, Skin, Gynecology, Eye, Dental, ENT, etc., visit the Occupational Health Centre.

When employees sustain injuries while on duty, First Aid treatment is given at OHC and if need be the injured is referred to outside hospitals for expertise treatment and company bears the entire medical expenses.

The company bears the entire medical expenses for 7 Serious Ailments viz. Heart Ailment, Cancer, Kidney Transplantation, Paralysis, Leprosy, Tuberculosis and Brain Surgery. 180 days of Special Leave is being sanctioned to those employees, who suffer from any one of the above serious Ailments. In the Serious Ailment cases, in case, the 180 days of Special Leave is exhausted, an additional 180 days of special leave is sanctioned on case to case basis. Expenses incurred for the said treatment is borne by the company entirely.

Under a Special Medical Assistance Scheme, 50% of the hospitalization expenses for the employee and their dependants are borne by the company.

Comprehensive Master Health Check-up is being carried out for employees four times in their service period i.e at age of 40 years, 50 years, 56 years and above 59 years. Every year, Audiometry test is conducted to those employees, who are exposed to High noise areas. Once in 2 years, Eye test is being carried out for employees, who are in driving job.

TNPL is committed to the health of employees thereby ensuring for better productivity.

19. SAFETY

TNPL has adopted a clearly defined Occupational Health and Safety Policy. Suitable Personal Protective Equipment's (PPE) are provided to all employees. Periodical Training Programs are conducted on handling of hazardous chemicals, Material handling, Usage of PPEs, Electrical safety, road safety, First aid, fire fighting etc. to improve safety awareness among the employees including contract workmen. Caution boards, posters, slogans, Do's and Don'ts etc. are displayed at prominent places to promote safety at work places. Safety Committee with representatives from Management and Workmen has been constituted. Safety Committee meetings are conducted periodically and suggestions given to improve safety aspects are implemented.

Accidents and incidents are investigated and preventive / corrective actions are taken to avoid recurrence. Mill wide Safety Audit, HAZOP study and Risk Analysis are carried out periodically through experts in industrial safety and the recommendations are implemented. An updated On-site Emergency Plan (OEP) and Off-site Emergency Plan are available to mitigate emergencies. Periodic mock drills for hazardous chemical leakages and fire incident are conducted to ensure the effectiveness of emergency preparedness. The entire Mill is covered with fire hydrant points with pressurized water ring mains for fire fighting. Also different types of fire extinguishers according to the nature of fire are provided at strategic points since inception, TNPL has maintained an excellent safety record.

20. PARTICULARS OF EMPLOYEES

None of the employees of the company was in receipt of remuneration in excess of the limits prescribed under the Companies Act, 2013 and the rules framed there under. The information as required under Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the company, is annexed as **Annexure IV**.

21. CASH FLOW STATEMENT

As required under Regulation 34(2) (c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, a Cash Flow Statement prepared in accordance with the Indian Accounting Standard 7 (IND AS-7) is attached to the Balance Sheet.

22. EXPORT HOUSE STATUS

TNPL has been awarded status of "Three Star Export House" by DGFT -Government of India in accordance with Foreign Trade Policy. This status is valid till 11/10/2020.

23. INDUSTRIAL AND PERSONNEL RELATIONS

The Company continues to have healthy industrial and employee relations at all levels. Despite severe competition, the enthusiasm and unstinting efforts of the employees have enabled the Company to remain at the forefront of the industry.

TNPL continued to receive co-operation and unstinted support from the distributors, retailers, stockists, suppliers and others associated with the Company as its trading partners. The Directors wish to place on record their appreciation for the same and the Company will continue in its endeavour to build and nurture strong links with trade, based on mutuality, respect and co-operation with each other and consistent with consumer interest.

24. ENHANCING SHAREHOLDERS' VALUE

Your Company believes in the importance of its Members who are among its most important stakeholders. Accordingly, your Company's operations are committed to the goal of achieving high levels of performance and cost effectiveness, growth building, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your Company is also committed to creating value for its stakeholders by ensuring that its corporate actions have positive impact on the socio-economic and environmental growth and development.

25. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the requirement under Section 134(5) of the Companies Act, 2013, with respect to Directors' Responsibility Statement, it is hereby confirmed that:

1. in the preparation of the annual accounts for the year ended 31st March, 2020, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
2. the directors had selected accounting policies and applied them consistently and made judgments and estimates that are reasonable

and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the company for that period;

3. the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
4. The Annual Accounts were prepared for the financial year ended 31st March, 2020 on a going concern basis;
5. the directors have laid down proper internal financial controls to be followed by the company and that such internal financial controls are adequate and are operating effectively;
6. the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and are operating effectively

26. EXTRACT OF ANNUAL RETURN

The details forming part of the extract of the Annual Return in form MGT 9 is annexed herewith as "Annexure V".

27. MANAGEMENT DISCUSSION AND ANALYSIS AND CORPORATE GOVERNANCE

The Report on Management Discussion and Analysis and the Report on Corporate Governance forming part of Directors' Report are attached as "Annexures VI and VII".

As required by the SEBI Regulations, an Auditor's Certificate on Corporate Governance and a Declaration by the Chairman & Managing Director with regard to Code of Conduct are attached to the Report on Corporate Governance.

28. BUSINESS RESPONSIBILITY REPORT

The Business Responsibility Report' (BRR) of the Company for the year 2019-20 forms part of the Annual Report as required under Regulation 34(2) (f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is attached as "Annexure VIII".

29. RELATED PARTY TRANSACTIONS

There are no materially significant transactions with related parties during the year with Promoters, Directors, Key Managerial Personnel or other designated persons which are potentially conflicting with the interest of the Company at large.

The Board of Directors have framed the policy on Related Party Transactions and the same is uploaded on the Company's website at www.tnpl.com.

None of the Directors or Key Managerial Personnel have any pecuniary relationships or transactions vis-à-vis the Company.

Accordingly, the disclosures of Related Party Transactions required under section 134 (3) (h) of the Companies Act, 2013 in Form AOC-2 is not applicable.

30. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

31. MATERIAL CHANGES OCCURRED AFTER END OF FINANCIAL YEAR

Except as disclosed elsewhere in this report, no material changes and commitments which could affect the Company's financial position have occurred between the end of the financial year and date of this report.

32. CEO CERTIFICATION

As required by Regulation 17(8) of the SEBI Regulation, a Certificate on the Financial Statements and Cash Flow statement of the company for the year ended 31st March, 2020 duly signed by the Managing Director was submitted to the Board of Directors at their meeting held on 30th June, 2020.

33. ACKNOWLEDGEMENT

The Board has pleasure in recording its appreciation for the assistance, co-operation and support extended to the company by the Govt. of Tamil Nadu, Commercial Banks, Financial Institutions, Sugar Mills and Dealers.

The Board also places on record its sincere appreciation of the positive response received from the Company's

valued customers and thank them for their continued support.

The Company is grateful to all employees for their exemplary co-operation during the year. Their contribution has been truly outstanding. The Directors place on record their appreciation of the excellent effort made by every employee to enhance the company's performance in adverse market conditions.

The Board of Directors regret the loss of life due to COVID-19 pandemic and record their appreciation to all the persons who risked their life and safety to fight this pandemic.

Finally, the Board of Directors sincerely thank the shareholding community for their solid support and for the confidence they have reposed in the Company.

Date: 30th June, 2020
Place: Chennai

34. CAUTIONARY STATEMENT

Statements in the Board's Report and the Management Discussion & Analysis describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. The Company cannot guarantee the accuracy of assumptions and the projected future performance of the Company. The actual results may materially differ from those expressed or implied in this report. Important factors that could influence the Company's operations include global and domestic demand and supply conditions affecting selling prices of finished goods, input availability and prices, changes in government regulations, tax laws, economic developments within the country and other factors such as litigation and industrial relations.

For and on behalf of the Board

N. MURUGANANDAM, IAS
CHAIRMAN