

Proxy Advisory Report (Addendum) Tamil Nadu Newsprint & Papers Ltd

ABOUT SES

Stakeholders Empowerment Services (SES) is a Corporate Governance research and advisory firm. SES assists investors to analyze governance practices including matters relating to sustainability, prevalent at listed entities and empower Investors to undertake meaningful engagement with Investee entities.

SES SERVICES

E-BRSR Tool: Online web-based platform to create BRSR Report by the Company and generate XBRL in seamless, cost and time effective manner
Already Subscribed by HDFC, Hero, M&M, L&T, UPL, Wipro, Reliance group and many others. [Read More](#)
Contact for Demo –
esgdata@sesgovernance.com

SES AIMS:
Designed primarily for Institutional investors to carry out their stewardship activities in an efficient manner. [Read More](#)

Proxy Advisory:
Advises investors on the matters that require shareholder approval at listed entities and identify Governance issues. [Read More](#)

ESG Scores:
Analyze sustainability initiatives of Companies based on various environmental, social and governance factors. [Read More](#)

Corporate Governance Score (CGS):
CGS model measures the Company's compliance and also evaluates the governance practices with respect to global benchmarks. [Read More](#)

E-Ballot:
One stop solution for investors – Online Vote Management System to cater to requirements of Institutional Investors. [Read More](#)

COMPANY INFORMATION

BSE CODE: 531426
NSE SYMBOL: TNPL
ISIN: INE107A01015
Industry: Paper & Paper Products
Email: response@tnpl.co.in | export@tnpl.co.in
Phone: +91 044 2230 1094-97, 2235 4415-16 & 18
Registered Office: 67, Mount Road, Guindy, Chennai - 600 032.

MEETING DETAILS

Meeting Type: PB
Voting Deadline: 8th July, 2023
Notice Date: 24th May, 2023
Notice: [Click here](#)
Annual Report: [FY 2021-22](#)
SES PA Report (Last AGM): [Report](#)

E-VOTING DETAILS

e-Voting Platform: [CDSL](#)
Cut-off Date: 26th May, 2023
Remote E-voting:

- Start:** 9th June, 2023
- Ends:** 8th July, 2023

ADDENDUM REPORT RELEASE DATE: 30th June, 2023

Research Analyst: Karishma Yadav
Conflict Disclosure: SES - No Conflict | Analyst - No Conflict



ADDENDUM

This addendum is being issued based on e-mail dated 29th June, 2023, sent by Tamil Nadu Newsprint & Papers Ltd ('the Company'), with respect to Proxy Advisory Report ('PA Report') issued by SES in relation to the Postal Ballot of the Company having e-voting deadline 8th June, 2023.

There is no change in any of SES recommendations.

BACKGROUND

SES, as per its policy, had e-mailed its Proxy Advisory Report to the Company on 26th June, 2023 in respect of Postal Ballot of the Company.

Post release of the PA Report, the Company sent an email to SES on 29th June 2023. The text of the email has been reproduced at the end of this addendum. SES has also analysed the information provided by the Company and has provided appropriate response wherever required.

SES has reproduced the Company's response (*in blue italics*) and its comments thereon (in black text).

SES' COMMENTS TO COMPANY RESPONSE

We are in receipt of your email dt. 27th June, 2023 enclosing your Proxy Advisory Report.

In this regard, we wish to clarify the following:

1. *In Page No. 1 – Request you to note the below mentioned two (2) Email Ids of the company as per below:*
 - i. *anuradha.p@tnpl.co.in*
 - ii. *invest_grievances@tnpl.co.in*
2. *In Page No. 2 & Page 4 – You have stated a Key Observation “Mr. M. Sai Kumar is Chairman and Managing Director of the Company. SES is of the opinion that combining both the positions may lead to concentration of powers in the hands of a single person.”*

Dr. M. Sai Kumar, I.A.S., has been nominated as Chairman and Managing Director of TNPL by the Government of Tamil Nadu vide G.O. Rt. No. 2301 PUBLIC (SPECIAL. A) DEPARTMENT dated 12.06.2022. As per the Articles of Association of the company, the appointment/ nomination of Chairman and Managing Director of TNPL is being done by the Industries Department, Government of Tamil Nadu by issuing government orders (G.O.) as and when need arises.
3. *In Page 3 – Please note the name of Director “R. Anand” is mentioned wrongly as “T.R. Anand”.*
4. *In Page 4 – You have mentioned “As per MCA, Mr. S. Krishnan holds directorship in more than 10 Public Companies. Therefore, Mr. S. Krishnan directorships in more than 10 Public Companies, is non-compliant with abovementioned provision.”*

We wish to clarify that Thiru. S. Krishnan, I.A.S., is holding Directorship in Nine (9) Public Limited Companies and One (1) Private Limited Company, hence he is in compliance of Section 165(1) of the Companies Act, 2013.
5. *In Page 5 – Director Category of Thiru. T. Udhayachandran, I.A.S., has been mentioned as “Non-Promoter”.*

We wish to clarify that Thiru. T. Udhayachandran, I.A.S., has been nominated as Director of TNPL by the Government of Tamil Nadu vide Government of Tamil Nadu, Industries, Investment Promotion & Commerce (MIF.1) Departments vide GO (Rt.) No. 147, dated 22.05.2023. Hence Thiru. T. Udhayachandran, I.A.S., has to be classified as “Affiliate Promoter Director”.

SES Comment:

1. SES had taken into account the Email-Ids mentioned in the Notice of the ensuing PB. Shareholders may take note of the abovementioned Email Ids as well.

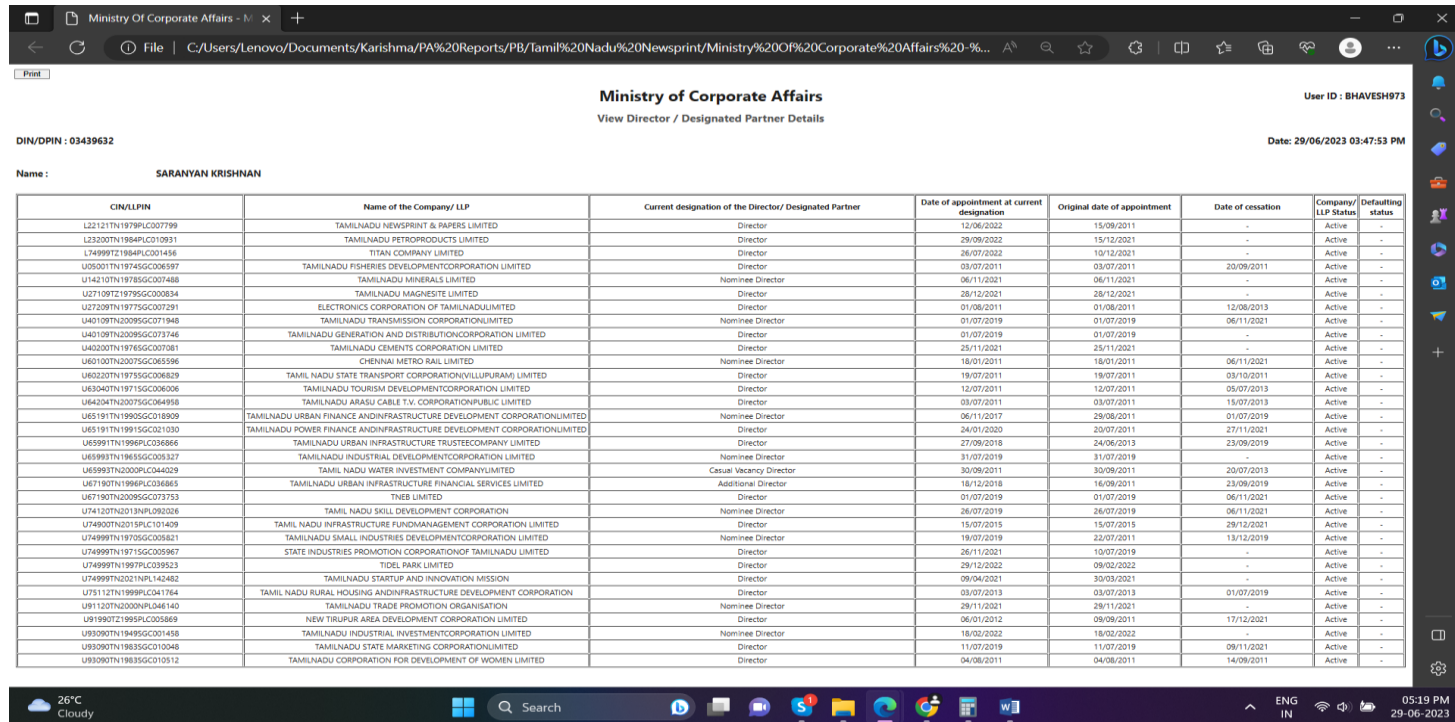


- As per SES policy, the roles of Chairman and Managing Director should not be exercised by the same individual, irrespective of the fact that their appointment is done by the Government.

SES would like to reiterate that, combining the positions of Chairman and Managing Directors not only leads to concentration of powers in the hands of a single individual, but also blurs the demarcation between the Board and the Management.

Therefore, as a good governance practice, SES advocates for division of responsibilities between the Chairman and the Managing Director.

- Noted, please read T.R Anand as R. Anand in Page no. 3 of PA Report.
- SES has taken the number of directorships of Mr. S. Krishan as per MCA. Attached below is the relevant screenshot:



Ministry of Corporate Affairs
View Director / Designated Partner Details

User ID: BHAVESH973
Date: 29/06/2023 03:47:53 PM

DIN/DPIN : 03439632

Name : SARANYAN KRISHNAN

CIN/LPIN	Name of the Company/ LLP	Current designation of the Director/ Designated Partner	Date of appointment at current designation	Original date of appointment	Date of cessation	Company/ LLP Status	Defaulting status
L2121TN1979PLC007799	TAMILNADU NEWSPRINT & PAPERS LIMITED	Director	12/06/2022	15/09/2011	-	Active	-
L3230TN1984PLC010931	TAMILNADU PETROPRODUCTS LIMITED	Director	29/09/2022	15/12/2021	-	Active	-
L74999721984PLC001456	TITAN COMPANY LIMITED	Director	26/07/2022	10/12/2021	-	Active	-
U05001TN1974SGC006597	TAMILNADU FISHERIES DEVELOPMENT CORPORATION LIMITED	Director	03/07/2011	03/07/2011	20/09/2011	Active	-
U14210TN1975SGC007488	TAMILNADU MINERALS LIMITED	Nominee Director	06/11/2021	06/11/2021	-	Active	-
U27109721979SGC000834	TAMILNADU MAGNESITE LIMITED	Director	28/12/2021	28/12/2021	-	Active	-
U272097N1977SGC007291	ELECTRONICS CORPORATION OF TAMILNADU LIMITED	Director	01/06/2011	01/06/2011	12/08/2013	Active	-
U40109TN2009SGC007148	TAMILNADU TRANSMISSION CORPORATION LIMITED	Nominee Director	01/07/2019	01/07/2019	06/11/2021	Active	-
U40109TN2009SGC007346	TAMILNADU GENERATION AND DISTRIBUTION CORPORATION LIMITED	Director	01/07/2019	01/07/2019	-	Active	-
U40200TN1976SGC007081	TAMILNADU CEMENTS CORPORATION LIMITED	Director	25/11/2021	25/11/2021	-	Active	-
U60100TN2007SGC065596	CHENNAI METRO RAIL LIMITED	Nominee Director	18/01/2011	18/01/2011	06/11/2021	Active	-
U60200TN1975SGC006829	TAMIL NADU STATE TRANSPORT CORPORATION/VILLUPURAM LIMITED	Director	18/07/2011	19/07/2011	03/10/2011	Active	-
U63040TN1971SGC006006	TAMILNADU TOURISM DEVELOPMENT CORPORATION LIMITED	Director	12/07/2011	12/07/2011	05/07/2013	Active	-
U64204TN2007SGC064958	TAMILNADU ARASU CABLE T.V. CORPORATION/PUBLIC LIMITED	Director	03/07/2011	03/07/2011	15/07/2013	Active	-
U65191TN1995SGC011809	TAMILNADU URBAN FINANCE AND INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED	Nominee Director	06/11/2017	29/06/2011	01/07/2019	Active	-
U65191TN1995SGC021030	TAMILNADU POWER FINANCE AND INFRASTRUCTURE DEVELOPMENT CORPORATION LIMITED	Director	24/01/2020	20/07/2011	27/11/2021	Active	-
U65991TN1996PLC036866	TAMILNADU URBAN INFRASTRUCTURE TRUSTEES COMPANY LIMITED	Director	27/09/2018	24/06/2013	23/09/2019	Active	-
U65993TN1965SGC005327	TAMILNADU INDUSTRIAL DEVELOPMENT CORPORATION LIMITED	Nominee Director	31/07/2019	31/07/2019	-	Active	-
U65993TN2000PLC04029	TAMIL NADU WATER INVESTMENT COMPANY LIMITED	Casual Vacancy Director	30/09/2011	30/09/2011	20/07/2013	Active	-
U67190TN1996PLC036865	TAMILNADU URBAN INFRASTRUCTURE FINANCIAL SERVICES LIMITED	Additional Director	18/12/2018	16/09/2011	23/09/2019	Active	-
U67190TN2009SGC007053	THES LIMITED	Director	01/07/2019	01/07/2019	06/11/2021	Active	-
U71207TN2013NPL092028	TAMIL NADU SKILL DEVELOPMENT CORPORATION	Nominee Director	26/07/2019	26/07/2019	06/11/2021	Active	-
U74900TN2015PLC101409	TAMIL NADU INFRASTRUCTURE FUND/MANAGEMENT CORPORATION LIMITED	Director	15/07/2015	15/07/2015	29/12/2021	Active	-
U749997N1970SGC005821	TAMILNADU SMALL INDUSTRIES DEVELOPMENT CORPORATION LIMITED	Nominee Director	18/07/2019	22/07/2011	13/12/2019	Active	-
U749997N1971SGC005967	STATE INDUSTRIES PROMOTION CORPORATION OF TAMILNADU LIMITED	Director	26/11/2021	10/07/2019	-	Active	-
U749997N1997PLC039523	TIDEL PARK LIMITED	Director	29/12/2022	09/02/2022	-	Active	-
U749997N2021NPL142482	TAMILNADU STARTUP AND INNOVATION MISSION	Director	09/04/2021	30/03/2021	-	Active	-
U75112TN1999PLC0241764	TAMIL NADU RURAL HOUSING AND INFRASTRUCTURE DEVELOPMENT CORPORATION	Director	03/07/2013	03/07/2013	01/07/2019	Active	-
U91120TN2000NPL046140	TAMILNADU TRADE PROMOTION ORGANISATION	Nominee Director	29/11/2021	29/11/2021	-	Active	-
U919907N1995PLC005869	NEW TRIPUR AREA DEVELOPMENT CORPORATION LIMITED	Director	06/01/2012	09/09/2011	17/12/2021	Active	-
U93090TN1949SGC001458	TAMILNADU INDUSTRIAL INVESTMENT CORPORATION LIMITED	Nominee Director	18/02/2022	18/02/2022	-	Active	-
U93090TN1983SGC010048	TAMILNADU STATE MARKETING CORPORATION LIMITED	Director	11/07/2019	11/07/2019	09/11/2021	Active	-
U93090TN1983SGC010512	TAMILNADU CORPORATION FOR DEVELOPMENT OF WOMEN LIMITED	Director	04/06/2011	04/06/2011	14/09/2011	Active	-

- SES has been considered Mr. T. Udhayachandran as Affiliate Promoter and the same has been mentioned in the Board Table on Page No. 3 and notes on Page No. 4.

Hence, Please read "Non-Promoter" as "Affiliated Promoter" on Page. No 5

COMPANY'S EMAIL

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Disclaimer Sources

Only publicly available data has been used while making the report. Our data sources include Notice of Shareholders' Meeting, BSE, NSE, SEBI, Capitaline, MCA, Moneycontrol, Businessweek, Reuters, Annual Reports, Sustainability Reports, IPO Documents and Company Website.

Analyst Certification

The Analyst(s) involved in development of this Report certify that no part of the Research Analyst's compensation was, is, or will be directly or indirectly related to the specific recommendations or views expressed by the Research Analyst(s) in this Report. The concerned Research Analyst(s) and Director(s) do not have any pecuniary relationship with the Reported Company, except that they may be holding miniscule shares in the Company which does not impact their independence in respect of this Report.

SES may be a shareholder in the Company holding equity shares as disclosed on its [website](#). The objective of SES' investment is solely to obtain Shareholders' communications from the Company as a shareholder.

CAUTIONARY STATEMENT

The recommendations made by SES are based on publicly available information and conform to SES's stated Proxy-Advisory Guidelines. SES opinion is based on SES's interpretation of law and governance benchmarks, which may differ from opinion/ benchmarks of other analysts or practitioners. Further, SES analysis is recommendatory in nature and reflects how SES would have voted if it was a shareholder. Therefore, SES expects that the clients will evaluate the effect of their vote on their investments independently and diligently and will vote accordingly. Subscribers may also carry out an impact analysis of their votes and keep the same as an addendum for their records. In our opinion, Institutional investors are positioned significantly differently from other shareholders due to their ability to engage with the board and the management to bring out desired result. As a firm, it is our endeavour to improve the level of corporate governance while not causing any disruption in company's proceedings and therefore we respect the independence of investors to choose alternate methods to achieve similar results.

Disclaimer

While SES has made every effort, and has exercised due skill, care and diligence in compiling this report based on publicly available information, it neither guarantees its accuracy, completeness or usefulness, nor assumes any liability whatsoever for any consequence from its use. This report does not have any approval, express or implied, from any authority, nor is it required to have such approval. The users are strongly advised to exercise due diligence while using this report.

This report in no manner constitutes an offer, solicitation or advice to buy or sell securities, nor solicits votes or proxies on behalf of any party. SES, which is a not-for-profit initiative or its staff, has no financial interest in the companies covered in this report except for what is disclosed on its website. The report is released in India and SES has ensured that it is in accordance with Indian laws. Person resident outside India shall ensure that laws in their country are not violated while using this report; SES shall not be responsible for any such violation.

All disputes shall be subject to jurisdiction of High Court of Bombay, Mumbai.

Concern terminology

NC – Compliance Concern: The Company has not met statutory compliance requirements

FC – Fairness Concern: The Company has proposed steps which may lead to undue advantage to a particular class of shareholders and can have adverse impact on non-controlling shareholders including minority shareholders

GC – Governance Concern: SES questions the governance practices of the Company. The Company may have complied with the statutory requirements in letter. However, SES finds governance issues as per its standards.

TC - Disclosures & Transparency Concern: The Company has not made adequate disclosures necessary for shareholders to make an informed decision. The Company has intentionally or unintentionally kept the shareholders in dark.

Company Information



Stakeholders Empowerment Services

SEBI Reg. No. INH000000016

CIN No. -

U74120MH2012NPL232154

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Contact Information

Stakeholders Empowerment Services

109, Shyam Baba House,
Upper Govind Nagar,
Malad East,
Mumbai – 400097
Tel +91 22 4022 0322

research@sesgovernance.com

info@sesgovernance.com

www.sesgovernance.com



Warning

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

