



## Tamil Nadu Newsprint and Papers Limited

(A Govt. of Tamil Nadu Enterprise)

Regd. Office : 67, Mount Road, Guindy, Chennai - 600 032. Phone : (91) (044) 22301094-97, 22354415-16 & 18

Fax : 22350834 & 22354614 Web : www.tnpl.com E-mail : response@tnpl.co.in, export@tnpl.co.in

TNPL - The Corporate Indentity Number : L22121TN1979PLC007799

Dated: 29<sup>th</sup> September, 2022

|   |  |
|---|--|
| To<br>BSE Limited (BSE)<br>Corporate Relationship Department<br>Phiroze Jeejeebhoy Towers<br>25th Floor, Dalal Street<br>Mumbai- 400001<br>ISIN: INE107A01015<br>BSE Scrip Code: 531426 | To<br>National Stock Exchange of India Limited<br>(NSE)<br>Listing Department<br>Exchange Plaza, 5th Floor,<br>Plot No. C/1, G Block, Bandra Kurla<br>Complex,<br>Bandra (East), Mumbai – 400051<br>NSE Code: TNPL |
|---|--|

**Sub: 42<sup>nd</sup> Annual General Meeting of Tamil Nadu Newsprint and Papers Limited held on 22<sup>nd</sup> September, 2022 - Transcript - Reg.**

With regard to the 42<sup>nd</sup> Annual General Meeting of the Company held on 22<sup>nd</sup> September, 2022, through Video Conference, we enclose herewith the copy of transcript of meeting, in accordance to General Circular No. 14 / 2020 dated 8<sup>th</sup> April, 2020, issued by the Ministry of Corporate Affairs, Government of India.

Kindly take the same on record.

Thanking you,

Yours faithfully,

For TAMIL NADU NEWSPRINT AND PAPERS LIMITED

ANURADHA PONRAJ  
COMPANY SECRETARY  
ICSI Membership No: A26150  
Email Id: [anuradha.p@tnpl.co.in](mailto:anuradha.p@tnpl.co.in)  
Contact No: 044-22354417

Encl: a/a.

**TRANSCRIPT OF THE**  
**42<sup>ND</sup> ANNUAL GENERAL MEETING OF THE COMPANY**  
**HELD ON 22<sup>ND</sup> SEPTEMBER, 2022 AT 10:30 AM**

**1. CORPORATE/ MARKETING VIDEO:**

**(Corporate/ Marketing Video was played from 10.00 A.M. onwards)**

**2. WELCOME ADDRESS:**

**Dr M. Sai Kumar, I.A.S., Chairman and Managing Director:**

“Good morning everybody, I extend a very warm welcome to everyone for this 42<sup>nd</sup> Annual General Meeting of the Company. As you know, this meeting is being held through video conference in accordance with the circulars issued by the Ministry of Corporate Affairs and Securities Exchange Board of India. This Video Conference gives us an opportunity to reach out to shareholders from far off geographical locations and therefore is a welcome mode for this meeting.

I am joining this meeting from the registered office of the Company at Chennai. Let us now stand for Tamil Thai Vazhthu before we start the proceedings.”

**(Tamil Thai Vazhthu was played).**

“Thank You.

Now, let us move on to introductions please. Firstly I am, Dr. M. Sai Kumar I.A.S., Chairman and Managing Director of TNPL joining you all from this registered office of the Company at Chennai.”

**Thiru V Chandrasekaran, Independent Director:**

“I am V. Chandrasekaran. I am joining this Annual General Meeting from the registered office of the company at Chennai and I am an Independent Director on the Board of this Company. I am the Chairman of the Audit Committee. Thank You.”

**Thiru P B Santhanakrishnan, Independent Director:**

“Good Morning. I am P. B. Santhanakrishnan. I am joining this Annual General Meeting from the registered office of the company at Chennai and I am an Independent Director on the Board of this Company. I am the Chairman of the Stakeholder’s Relationship Committee.”

**Dr. M. Arumugam, Independent Director:**

“I am M. Arumugam. I am joining this Annual General Meeting from the registered office of the company at Chennai and I am an Independent Director on the Board of this Company. I am the Chairman of the Risk Management Committee.”

**Thiru P. Kannan, Partner, M/s A.V. Deven & Co., Statutory Auditors:**

“I, P. Kannan, partner of M/s. A.V. Deven & Co., Statutory Auditors of the company, am joining the meeting from the registered office of the company at Chennai.”

### **3. QUORUM:**

**Tmt. Anuradha Ponraj, Company Secretary:**

“Apart from our Directors, the Statutory Auditor, Internal Auditor and Secretarial Auditor of the Company and the Scrutinizer for the meeting, have also joined this meeting by way of Video conference.

Thiru. N. Muruganandam, I.A.S., Thiru. S. Krishnan, I.A.S., Thiru. Harmander Singh, I.A.S., Directors, Tmt. Soundara Kumar and Dr. N. Sundaradevan, I.A.S., (Retd.) Independent Directors are not present due to pre-occupation with their office work.

I also wish to inform you that Thiru R. Anand, Additional (Independent) Director, has tendered his resignation from the Board of the Company with effect from 20<sup>th</sup> September, 2022 due to personal reasons.

94 shareholders have joined the meeting through video conference against the total strength of 41841 shareholders on cut-off date i.e. 14.09.2022.

Hence, we have the requisite quorum present through video conference to conduct the proceedings of this meeting. Participation of members through video conference is being reckoned for the purpose of quorum as per the circulars issued by MCA and Section 103 of the Companies Act, 2013. The quorum being present, I call this meeting to order.

I now provide the general instructions to the members regarding participation in this meeting.

Members may note that this Annual General Meeting is being held through video conference in accordance with the Companies Act, 2013 and circulars issued by the Ministry of Corporate Affairs and SEBI. Facility for joining this meeting through video conference or other audio-visual means is made available for the members on a first-come-first served basis. The Register of Directors and Key Managerial Personnel, the Register of Contracts or Arrangements, have been made available for inspection by the members during the AGM. Members seeking to inspect such documents can send their requests to [invest\\_grievances@tnpl.co.in](mailto:invest_grievances@tnpl.co.in).

To facilitate smooth conduct of the virtual AGM and to provide e-voting facility at the meeting, the company has engaged the service of National Securities Depository Limited (NSDL). The members are muted to avoid background disturbances.

As the AGM is being held through video conference, the facility for appointment of proxies by the members was not applicable and hence the proxy register for inspection is not available.

The Company has received requests from a few members to register them as speakers at the meeting. Accordingly, the floor will be open for these members to ask questions or express their views. The moderator will facilitate this session once Company Secretary opens the floor for questions and answers. It may be noted that the Company reserves the right to limit the number of members asking questions depending on the availability of time at the AGM.

The Company had provided the facility to cast the votes electronically through remote e-voting, on all resolutions set forth in the Notice and Addendum to the Notice. Members who have not cast their votes through remote e voting and who are participating in this meeting can cast their votes during the meeting through the e-voting system provided by NSDL. Members are requested to refer to the Instructions provided in the notice for a seamless participation through video conference. In case members face any difficulty, they may reach out on the helpline numbers of NSDL mentioned in the notice to this AGM.”

#### **4. CHAIRMAN’S SPEECH:**

**Tmt. Anuradha Ponraj, Company Secretary:**

“Now I request Dr. M. Sai Kumar, I.A.S., Chairman and Managing Director to give the Chairman’s Speech.”

**Dr M. Sai Kumar, I.A.S., Chairman and Managing Director:**

**LADIES AND GENTLEMEN, VANAKKAM.**

I extend my warm welcome to all of you to this 42<sup>nd</sup> Annual General Meeting of your Company. The Directors’ Report and the Audited Accounts for the year ended 31st March, 2022 have been with you for some time and with your permission, I shall take them as read. I trust you would have gone through the same by now and you are pleased with the performance achieved by the Company post the Covid pandemic.

Your Company commenced newsprint and printing and writing paper production in the year 1984 with a capacity of 90,000 Metric Tonnes per annum. Your company had enhanced the capacity to 4,00,000 Metric Tonnes per annum in four phases. During 2016, the company had set up a state-of-the-art Packaging Board Plant with an annual capacity of 2,00,000 Metric Tonnes per annum in Mondipatti village,

Manaparai Taluk, Trichy District and enhanced the total capacity to 6,00,000 Metric Tonnes per annum.

With this, your Company has emerged as the third largest player in the Indian Paper Industry. The pulping capacity has been increased from 300 tonnes per day (tpd) in 1984 to 1,180 tonnes per day. Over the years, your Company has carved out a niche for itself.

#### **VISION:**

Your company has been operating with a Vision to be the market leader in Paper and Paperboards, by adopting Innovative Technologies. In line with the above Vision, the company's Mission has been to be the manufacturer of World Class Paper and Paperboards, to the tune of 1.0 million Tons by 2030 and to be the most preferred Supplier. In this context, the company has prepared a Roadmap for the next 5 years, covering all the three manufacturing units.

#### **OPERATIONAL AND FINANCIAL PERFORMANCE:**

With Covid 19 and the Russia Ukraine war, the last two years have been tumultuous for the Global and Indian economy.

The situation was more challenging for the company since most of the paper produced is used for education, writing, printing and other office applications. Covid 19 led to the closure of all educational institutions, offices and Government institutions and demand for paper was significantly reduced. Being in a highly capital intensive industry, where fixed costs are very high, the profitability of the company suffered tremendously due to this poor demand, high inventory and low market prices.

The year 2021-22 began on a slow note with poor demand. During the second wave of Covid international and domestic markets again went into a tailspin. The company was able to keep all the machines running due to the extensive dealer network within India and our wide presence in the international markets.

With the successful nationwide Covid vaccination program and efforts of the government the country was able to contain the pandemic and gradually schools, colleges and offices started opening up. Towards the end of last quarter of the year markets were buoyant and were able to sell all the accumulated inventory and achieved zero stocks of Printing and Writing Paper at Unit I after eight years.

The year was reasonably good for the packaging segment. While order books and demand were strong, there were pressures due to very high raw material costs and logistics issues. Covid 19 led to a delay in the installation of our new pulp mill and consequently our proposed shift towards 100% virgin grades on the packaging board machine got affected. However, as a strategy, we gradually increased our focus towards the fast-growing high value-added cup stock segment which uses more of our indigenous pulp.

Demand of paper for education purposes is cyclic with periods of low demand and very high demand. Since customer demands are specific made to order sizes makes it difficult for demand forecasting, a lot of inventory accumulation and price corrections happen during the lean periods. Considering this typical nature of the market, your company has started to increase its focus towards industrial uses of paper which will ensure that there is a more uniform off-take of paper during the entire year. We have developed certain grades of industrial papers like sublimation papers, Cup Stocks and papers for offline coating applications to ensure greater regularity of demand. Increased focus is being put to ensure higher penetration in these segments.

Efforts are also on to improve the sales realisations of different varieties of paper made by the company by optimizing the product and locational mix. Regular evaluation of the distribution network and appointment of new distributors is being done. Increased focus is being laid on greater financial discipline and control measures as well as timely collection of receivables.

On an overall basis the year ended on an optimistic note and we expect the next year to be very good.

Overall demand for Paper and Packaging boards is expected to grow. With greater focus on "Make in India" we expect exports of paper and converted paper products to be robust in future. A strong and robust domestic demand coupled with strategic exports of both paper and converted paper products augers well for the Indian Paper industry. The company is well positioned to take full advantage of this bright future outlook.

During the year, your Company has produced 3,88,881 Metric Tonnes of paper and achieved paper sales of 4,38,010 Metric Tonnes. With the commissioning of Multilayer Double Coated Board Plant, your Company has made a foray into the Packaging Board segment. In the year under review, your Company has produced 1,83,770 Metric Tonnes of packaging board and achieved packaging board sales of 1,84,546 Metric Tonnes. 3,06,591 tonnes of Hardwood Pulp, Chemical Bagasse Pulp and Deinked Pulp were produced during the year.

During the year, your Company has exported 1,44,000 Metric Tonnes of paper and 21,766 Metric Tonnes of board, i.e. 33% of total paper sales and 12% of total board sales is by way of exports to around 30 countries. Economies of scale and quality production, driven by technology, provide us with a competitive edge in these markets.

Rise in input costs especially for coal and imported pulp grades put enormous stress on the financials of the Company. However, the Company is putting its best efforts to mitigate this through various internal efficiency measures.

The company has achieved a higher PBDT and PAT compared to the previous year despite adverse conditions in the domestic and export markets and increase in input costs. Profit before tax is Rs.22.03 crore and Profit after tax Rs.14.33 crore. Market Capitalization as on 31.03.2022 was Rs.1,160.32 crore. The total assets value is Rs.5,774 Crores.

Despite requirement of funds for capital expenditure and repayment of loans, the Board of Directors of your company has recommended payment of dividend at Rs.4/- per share i.e. 40% out of profit and free reserves of the company. During the year 2021-22, overall borrowings decreased by Rs.489 crore.

#### **AWARDS AND RECOGNITION:**

1. Your Company had won the 1st Position in the 17<sup>th</sup> National Award for Excellence in Cost Management, 2019, under the category of “Manufacturing-Public-Large”. TNPL has won this prestigious award for the Fourth time. The award is conferred by The Institute of Cost Accountants of India.
2. TNPL won “IPMA Environment Award” for the year 2019-2020 conducted by Indian Paper Manufacturer Association (IPMA), New Delhi in January, 2022.
3. TNPL is one among the 29 companies awarded with both shield and certificate for “Industry Excellence Award 2021” conducted by Institution of Engineers - India, Kolkatta and the award was presented during 36<sup>th</sup> Indian Engineering Congress at New Delhi on 26<sup>th</sup> December, 2021.
4. TNPL’s project “Reduction of Green House Gas emission and Sodium sulphate consumption by In-House modified liquor gun firing system for Agro Based Chemical Recovery Boiler” is one among the 19 projects selected as “Most Innovative Environment Project” during CII – Environmental Best Practices Award 2021 in July, 2021.
5. TNPL has been declared as “Winner” of “Golden Peacock Award for Corporate Social Responsibility” for the year 2020 conducted by Institute of Directors, New Delhi.
6. TNPL has been selected as award “winner” for Federation of Indian Chambers of Commerce and Industry – HR Score Awards 2021 conducted by Federation of Indian Chambers of Commerce and Industry along with their knowledge partner M/s Indian Institute of Management (IIM), Trichy in April, 2021.

#### **CURRENT STATUS OF PAPER INDUSTRY:**

##### **1. Printing and Writing Paper:**

The Indian Printing and Writing Paper Industry was moderate during the first three quarters of 2021-22 due to the Covid-19 pandemic. By February 2022, the impact of Covid reduced resulting in better confidence levels and Education Sector being opened. This resulted in reduction of stocks on hand and the company achieved “Nil” Stock of Paper as on 31st March 2022. Imports of paper during the year was very low because of very low demand and uncertain market scenario. We exported 1,44,000 Metric Tonnes of paper during the FY 2021-22.

## **2. Packaging Boards:**

The first quarter of the year was slightly sluggish for packaging boards mainly on account of lockdowns and nation wise logistics issues. However, demand was firm and sales were better during the rest of the year. Demand from pharmaceuticals, Foods and FMCG was strong and the company was able to market the entire production in addition to reducing stocks.

During the year, there were severe increases in the cost of raw material (waste paper and imported pulp) and availability was a constraint. The company was able to pass on the impact of these increases in costs to the market. Overall, the performance of packaging boards business was much better. Packaging boards industry continued to grow at a healthy pace during the year. The main segments of growth being Packaged foods, Ready-to-eat takeaway foods, Pharmaceuticals and FMCG.

## **FUTURE OUTLOOK:**

### **1. Printing and Writing Paper:**

The opening of Education sector, the demand of printing and writing paper grades has peaked by end of Q4 - 2021-22 which is continued in the Q1 of the FY-2022-23 also. The requirements from Government was also intact. The appreciation of USD due to the war between Russia & Ukraine and costlier sea freight has kept the imports on the lower side which is expected to continue for some more time. This has also resulted in costlier Imported Pulp resulting in increase of Variable cost going forward. In spite of substantial price increase, the contribution is lower due to higher increase in variable cost. We expect that the price of paper to be stable for the remaining part of the year. Reopening of Offices, Educational institutions etc., has led to regularization of demand. The international prices of pulp and paper continue to be firm which should keep imports in check. Overall, the year should be positive for the company.

### **2. Packaging Boards:**

The growth in demand in packaging boards is expected to continue with an anticipated growth of 12%-15% per annum in Virgin Fiber based packaging boards. Recycled boards is expected to grow at 8-9% per annum. Some pricing pressure is expected in the second half of the year as additional capacity is expected to be commissioned in the domestic market. Overall, with minimum imports expected in this segment, the market is expected to be stable in 2022-23.

## **MILL EXPANSION:**

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 Metric Tonnes per annum, by installing a Paper Machine along with captive pulping facility, at an estimated capital outlay of Rs.2520 Crore which is being implemented in two phases. The Phase 1 of the project features 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. Due to the pandemic and resultant disruption, the commissioning got delayed and the trial production in Paper Machine commenced from Jan 31st 22. The plant obtained CTO from Tamil Nadu Pollution Control Board on 15.07.2022.

#### **ENVIRONMENT PROTECTION:**

1. Production of 1.6 lakh Metric Tonnes of bagasse pulp and 54.47 thousand Metric Tonnes of Deinked pulp during the year has facilitated conservation of 8.74 Lakh Metric Tonnes of pulpwood.
2. The Company has generated about 40.73 Million Units of Wind energy during 2021-22.
3. 95.67 Lakh m<sup>3</sup> methane generated in the Bio-methanation plant was consumed in lime kiln as fuel has resulted in saving 5073 KL of Furnace oil and 256 Metric Tonnes of imported coal.

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.

TNPL has established Plant Propagation Center (PPC) to produce 25 million pulpwood clonal plants annually.

During the year 2021-22, the company has produced 428 lakhs pulpwood saplings and supplied 464 lakhs clonal plants along with 2020-21 carry over stock of 38.80 lakhs to the farmer's field. This is the highest ever production & supply by any industry in the country during 2021-22. With this year achievement, the company has produced 293 million plants and supplied 270.60 million plants to farmer's field over the past 17 years.

#### **CORPORATE SOCIAL RESPONSIBILITY:**

Your Company is committed to being a socially responsible corporate citizen. During the year, your Company has implemented several community development measures towards the broad sectors included in TNPL's CSR policy such as Livelihood/Economic Development, Soil and Water Conservation, Education, Public Health and Medicare, Social Development, Environment and Sanitation, Culture and Heritage and Infrastructure Development. Your Company has spent Rs. 348.39 Lakhs for CSR activities during 2021-22 by mainly focusing on enhancing the socio economic status by conducting skill development programme, providing note books, drinking water facilities etc. and especially for COVID-19 preventive measures.

## **ACKNOWLEDGEMENT:**

I take this opportunity to place on record my sincere thanks to the Union and State Governments and the Banks/Financial Institutions for their valuable support and assistance.

I am extremely grateful to my colleagues on the Board for their valuable advice and support.

I also thank the Statutory Auditors, Secretarial Auditors, Cost Auditors and External Internal Auditors for their continued support.

I also wish to place on record my sincere appreciation for the efforts put in by all employees of the Company.

On behalf of the company, I wish to thank the Investor community for their solid support and for the confidence they have reposed in the Company.

My whole-hearted thanks to all Shareholders and other Stakeholders for continuous encouragement and support.

I thank you for having attended this Annual General Meeting by sparing your precious time.

## **5. SUMMARY OF AUDITOR'S REPORT:**

### **Tmt. Anuradha Ponraj, Company Secretary:**

“I now provide a summary of the Auditors' Report.

The Statutory Auditors, M/s. A.V. Deven & Co. have expressed unqualified opinion in their audit report for the financial year 2021-2022. There were no qualifications, observations or adverse comments on financial statements and matters. The Statutory Auditors' report on financial statements are available on Page numbers 157 to 169 of the annual report.

The “NIL” report from the Comptroller and Auditor General of India is available in Page 170 of the annual report.

The Secretarial Auditors, M/s. M. Damodaran and Associates, have expressed unqualified opinion in their secretarial audit report for the financial year 2021-2022. There were no qualifications, observations or adverse comments on financial statements and matters. The Secretarial Auditors' report is enclosed as Annexure 2 to the Board's report on Page number 62 to 64 of the annual report.

Accordingly, the Auditors' Reports are not required to be read out before the meeting, as provided in the Companies Act, 2013 and the Secretarial Standards on General Meetings.”

## **6. E-VOTING:**

**Tmt. Anuradha Ponraj, Company Secretary:**

“As the Notice and Addendum to the Notice is already circulated to all the members, I take the Notice convening the meeting as read.

Before we proceed, I am pleased to bring to your notice that, as required under the Companies Act, 2013, the Company had provided you all the facility to cast your vote electronically through remote e-voting, on all Resolutions set forth in the Notice. The cut-off date for ascertaining the entitlement of remote e-voting facility as well as voting at the meeting was Wednesday, 14<sup>th</sup> September, 2022. The remote e-voting period commenced on Saturday, 17<sup>th</sup> September, 2022 (9.00 AM) IST and ended on Wednesday, 21<sup>st</sup> September, 2022 (5.00 PM) IST. The remote e-voting module was disabled by NSDL thereafter.

I wish to mention that Members as on the cut-off date being 14<sup>th</sup> September, 2022, who did not cast their vote through remote e-voting, may cast their vote during the meeting. If a Member casts votes by both the modes, then voting done through remote e-voting shall prevail and the voting made during the AGM shall be treated as invalid. Members may please note that there will be no voting by show of hands.

We now take up the Resolutions as set forth in the Notice and Addendum to the Notice. There are 9 resolutions proposed to be passed at this Annual General Meeting – 5 Ordinary Resolutions and 4 Special Resolutions. I also wish to add at this point that as Thiru. R Anand had tendered his resignation with effect from 20<sup>th</sup> September, 2022, Item No.7 as proposed as a special resolution in the Addendum to the Notice dated 13<sup>th</sup> September, 2022 pertaining to his appointment as an Independent Director has become infructuous. However, as the remote e-voting had already commenced from Saturday, 17<sup>th</sup> September, 2022, and the resignation taking effect from Tuesday, 20<sup>th</sup> September, 2022, the voting on the aforesaid business will be continued with but the resolution shall not be acted upon for the reasons as stated above.

We will open the floor for any questions by members after all the Resolutions are tabled.

Item No. 1 of the Notice – Adoption of Financial Statements, by an ORDINARY Resolution:

The Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2022 including the reports of Board of Directors and Auditors have already been provided to the members.

Item No. 2 of the Notice - Declaration of Dividend, by an ORDINARY Resolution:

The Board of Directors has recommended payment of Dividend of Rs. 4/- per Equity Share of face value of Rs. 10/- each, for the financial year 2021-22.

Item No. 3 of the Notice - Appointment of Director, liable to retire by rotation, by an ORDINARY Resolution:

Thiru Harmander Singh, I.A.S., Director (DIN: 03291250), holds the position of Commissioner of Sugar who is retiring by rotation and being eligible offers himself for reappointment.

Item No. 4 of the Notice – Fixation of the Auditors' Remuneration, by an ORDINARY Resolution:

The shareholders may approve fixation of remuneration to M/s. A.V. Deven & Co (Firm Registration No.000726S), Chartered Accountants, Chennai, Statutory Auditors of the Company.

Item No. 5 of the Notice – Ratification of Remuneration to the Cost Auditors, by a SPECIAL Resolution:

The shareholders may ratify the remuneration to M/s. S. Mahadevan & Co. (Firm Registration No. 000007), Cost Accountants, Chennai, Cost Auditors of the Company.

Item No. 6 of the Notice – Appointment of Dr. N. Sundaradevan, I.A.S., (Retd.), (DIN: 00223399) as an Independent Director, by a SPECIAL Resolution:

The shareholders may approve the appointment of Dr. N. Sundaradevan, I.A.S., (Retd.,) (DIN: 00223399) as an Independent Director on the Board of TNPL for a term of three (3) consecutive years commencing from 12<sup>th</sup> September, 2022 to 11<sup>th</sup> September, 2025.

Item No. 7 of the Notice – Appointment of Thiru. R. Anand (DIN: 00243485) as an Independent Director, by a SPECIAL Resolution:

Thiru. R. Anand has submitted his resignation letter on 20.09.2022 and the same has been intimated to the Stock Exchange on 21.09.2022 hence this item stands cancelled.

Item No. 8 of the Notice – Re-appointment of Thiru P B Santhanakrishnan (DIN - 03213653) as an Independent Director of the Company, by a SPECIAL Resolution:

The shareholders may approve the appointment of Thiru P B Santhanakrishnan (DIN - 03213653) as an Independent Director on the Board of TNPL for a second term of three (3) consecutive years commencing from 19<sup>th</sup> September, 2022 to 18<sup>th</sup> September, 2025.

Item No. 9 of the Notice – Re-appointment of Dr M Arumugam (DIN - 01439166) as an Independent Director of the Company, by a SPECIAL Resolution:

The shareholders may approve the appointment of Dr M Arumugam (DIN – 01439166) as an Independent Director on the Board of TNPL for a second

term of three (3) consecutive years commencing from 19<sup>th</sup> September, 2022 to 18<sup>th</sup> September, 2025.

The text of the Resolutions along with explanatory statement is provided in the Notice and the Addendum to the Notice circulated to the members.

Members who have not cast their vote through “Remote E-voting”, may cast their votes now through the e-voting system provided by NSDL. The platform is already open to the shareholders to cast their vote.”

## **7. SPEAKER SHAREHOLDERS:**

**Tmt. Anuradha Ponraj, Company Secretary:**

“We have received requests from 5 shareholders to be “Speaker Shareholders”. I will now call out their names one-by-one. The Speaker shareholders are requested to restrict their queries to the accounts for the FY 2021-22 and confine their observations/ comments to preferably about 5 minutes.

Before we go live with the Question & Answer, here are some points to note for your convenience. Kindly turn on your video when you are projected on the broadcast screen, kindly unmute yourself, and proceed to ask the question. Please mention your name, Folio Number, and the location from where you are joining.

Please avoid repetition of same or similar questions already raised by a Member. I seek your kind co-operation in this regard.

After getting all the queries, consolidated reply will be given by our Chairman. In case of any queries which require elaborate replies, the same will be replied by email.

Now, I am opening the floor for Question & Answer.

Now we request Thiru. Hardik Jain, DP/ Client ID 1202890001730117, to unmute himself and kindly proceed with the question.”

**Dr M. Sai Kumar, I.A.S., Chairman and Managing Director:**

“Please go ahead Mr. Hardik Jain.”

**Thiru. Hardik Jain:**

“Thanks for the opportunity. Some of my questions are, the 1<sup>st</sup> question is regarding the capacity expansion. The chairman mentioned that we have planned the pulping capacity 165,000 metric tonnes board plant. So, I think the pulping capacity has already started, so, when we are going to expand for the manufacturing of the paper in the expansion and how much capex that will require and by when the new paper plant will start.

Sir, as of FY 22, the capital work in progress was 1357 crore, so how much of this was for the new pulp unit, how much we have invested in the new pulp unit and how much cost saving it will give from FY 23 onwards.

And have we started getting the benefit of this new pulp unit in Q1 FY23 as well?

One of my observation is the last year FY 22, the entire industry has performed very well in terms of volume and also in terms of margin.

But even though we were at full capacity at both the unit our margins were only 10% EBIDTA margin.

So what went wrong? Why we couldn't do the better margin.

And just an observation, before the board plant has started, when we were only having 4 lakh tonnes capacity, that time, we were consistently doing the best industry margin of 22-24% EBIDTA margin.

Now, if I see our Q1 number, which was 1130 crore of Top Line, I assume that out of that around 720 crore would be writing and printing paper revenue.

So, if I assume that we were at best of our margins in writing and printing papers then our EBIDTA for only writing and printing paper should have been 175 – 180 crore in Q1, which is our total EBIDTA.

So does this mean that since there was no pulp unit and our board plant is still at a breakeven only. So if you can throw some light over there.

And now that we have our pulp unit so what kind of EBIDTA margin we can do from FY 23 onwards.

Sir, in our other expenses, the repairs and maintenance of plant and machinery was almost 165 crore and this year and even last year it was 170 crore so was there any 1 off recently or is this is our regular maintenance capex and it will remain at that level every year.

And last year we have received 16 crore as a GST incentive. So for how many more years we will keep receiving this amount, if you can elaborate.

And lastly, current realization in writing and printing and board plant if you can mention the current realization. And in writing and printing, do you expect a very strong demand due to the new education policy.

Those were my questions, thanks for the opportunity.”

**Dr M. Sai Kumar, I.A.S., Chairman and Managing Director:**

“Thank you.”

**Tmt. Anuradha Ponraj, Company Secretary:**

“Now I request Thiru. Kankanala Bharat Raj, DP/ Client ID 1204880000141972 to unmute himself and kindly proceed with the question.”

**Thiru. Kankanala Bharat Raj:**

“Very Good Morning. Mr. Chairman and the entire Board of Directors.

First of all I am happy to see you all safe, healthy and fine.

Sir, I am Bharathraj calling from Hyderabad. My warm welcome and congratulations to the Chairman and Managing Director Dr. M. Sai Kumar, under your leadership definitely my company will be in a very good performance and we'll have very good benefits of the shareholders.

So first of all I thank the management for the wonderful dividend sir. Four Rupees Sir. Sir, I'm very proud that the company in the last year revenue has been doubled. Very happy Sir. We came out from the COVID pandemic and we are in performance.

So my question is that any future plans of expansion of our company in other states of our country.

You told in your speech that we are the number three, what is your future plans to make TNPL number two and number one sir.

Sir now the paper is more in demand in the country because the government has banned plastic, so now paper is must, paper straws, paper spoon paper cups so how we are we initiating to face this challenges.

Once again thanks to our Secretarial Department, Mrs. Anuradha Ponraj, wonderful sir, she is always accessible 24\*7, she called me and she gave me the serial number. Thank you so much madam for arranging the wonderful VC. All the best for the coming years. Take care madam.

Once again Chairman sir my request is that can you arrange plant visit so that who are attending this AGM please arrange the plant visit sir.

Once again entire Board of Directors, be safe be happy healthy, Secretarial Madam thank you very much and entire team all the best for coming year. Be safe be healthy Sir.”

**Dr M. Sai Kumar, I.A.S., Chairman and Managing Director:**

“Okay, thank you Mr. Bharath Raj.”

**Tmt. Anuradha Ponraj, Company Secretary:**

“Now we request Thiru. Prakash Chand Galada, DP/ Client ID IN301356/40064545 to unmute himself and kindly proceed with the question.”

**Thiru. Prakash Chand Galada:**

“Good morning to everybody. I am Prakash Galada. Can you hear me please?”

**Dr M. Sai Kumar, I.A.S., Chairman and Managing Director:**

“Yes, yes, we can hear you go ahead.”

**Thiru. Prakash Chand Galada:**

“Good Morning to everybody. Prakash Galada here.

I've been a shareholder of the company for more than 15 years and I've been getting good quantum of dividend to a great extent, except for the last financial year, when there was a lull it was less, again it has come back to 40. So that is a good sign.

We have been getting a lot of awards, and we have been adding some more awards this year also, like, fourth year you have been getting. And greenhouse that is something really badly required in the environment. Then golden peacock is also a good thing to a good company that is under paper manufacturing and other allied products.

Another unique feature in this company's annual performance is NIL stock. Always our company has been showing NIL stock at the financial year ending. I hope the same will continue and many more other corporates will also continue in primary market or secondary sale.

And coming to my observation, such a big building in Mount road from 1991 the land has been not transferred to our company's name. It is still in the name of government which is worth roughly around 150 crores as per the annexure given in the Independent Auditor's Report Page number 164. I hope this can be taken up and transferred in the company's name. If there is any pledging that can also be removed.

Apart from this there are Schools and Colleges, which one of our association is running in Chennai, we use your notebooks for our children and these books are good quality and not available easily. We feel that you can give direct supply to school and colleges, we can save tax and there can be a special price given to the educational institutions who are genuinely using for their students. That is a special request from my side. Most of the educational people they go for other books which are either price controlled or not we don't know.

Thank you very much, All the best sir.”



**Dr M. Sai Kumar, I.A.S., Chairman and Managing Director:**

“Thank you very much.”

**8. REPLIES TO SHAREHOLDERS:**

**Tmt. Anuradha Ponraj, Company Secretary:**

“All the shareholders have spoken and have asked their queries, which we will respond. Dr. M. Sai Kumar I.A.S., Chairman and Managing Director will give out the replies to each of the questions posed by the shareholders.”

**Dr. M. Sai Kumar, I.A.S., Chairman and Managing Director:**

“Thank you very much for all the shareholders who have joined and who have taken time to go through the Annual Report and have pointed out the improvements required and also some specific queries.

Firstly, there are general observations about the capacity expansion. Capacity expansion for the pulp mill has happened and we have also as I said in my speech we got the consent to operate on the 15<sup>th</sup> of July, 2022 so the trial production is on, there are certain regulatory observations from the pollution control board which we need to correct and the moment we correct it the commercial production will start. So that should be done in a couple of months from now.

There was a specific query on GST incentive for 16 crores per annum, I think the scheme is for 12 years so we will continue to get it till 2028.

Then, what is the cost benefit accruing from the new pulp mill, its about 10 crores every month is the cost benefit we are getting from the new pulp mill.

And as regarding the question as to why the others have done well and we have done not so well, you know we base on bagasse and the deal is to take coal and give bagasse, so since the coal prices are roaring at an all-time high now and at least during the year in question, this answer is obvious that once the coal prices settle down then I think we will get back the margins.

And thank you from the gentleman from Hyderabad Mr. Kankanala Bharat Raj who has encouraged us to become number one. So keep your fingers crossed sir we want to number one very shortly, so as simple as that. Thank you very much for your interventions.

And the gentleman Mr. Prakash Chand Galada who has been very kind to interfere he said, we will take necessary action and have to look at whichever is beneficial since there is no need to spend huge cost of registration now as long as there is no problem with the status quo. So ultimately the books baseline is what matters. So we couldn't total hear your intervention about the schools and colleges but I presume you are saying that we should encourage more number of schools and colleges, whatever it is we will get back to you again and take the specific query,

but we are running two schools and they are very popular schools and helping not only the staff in the colonies but also people from outside. Currently we don't have any system of running a college; I think Tamil Nadu has too many colleges as of now. So as of now we don't have any proposal because it doesn't work out profitable for us and there is no demand also.

So thank you very much for all the interventions and I will ask the company secretary to take the proceedings forward. Thank you.”

**Tmt. Anuradha Ponraj, Company Secretary:**

“With that, we conclude the Question session from all the shareholders.”

## **9. CONCLUSION:**

**Tmt. Anuradha Ponraj, Company Secretary:**

“Members may note that the voting on the NSDL platform will continue to be open for 15 more minutes after the closure of the meeting. As of now, about 116 shareholders are present or participating in this meeting and have remained so throughout this meeting.

Members who have not cast their vote yet are requested to do so. The Board of Directors has appointed Thiru. M. Damodaran of M/s. M. Damodaran & Associates, Company Secretaries, Chennai, as the scrutinizer to supervise the e-voting process.

The consolidated results of remote e-voting and the e- voting at the AGM will be uploaded on the website of the Company at [www.tnpl.com](http://www.tnpl.com) as well as on the website of NSDL and shall also be communicated to the stock exchanges.

The Resolutions, as set forth in the Notice & Addendum to the Notice, shall be deemed to be passed today subject to receipt of requisite number of votes.

We had 116 members participating today in this 42<sup>nd</sup> Annual General Meeting.

We are grateful to all our shareholders from across the country who have participated in this AGM, through video conferencing.

Thank you all for attending the meeting and I hereby declare the proceedings as closed.

Kindly Take Care and Stay Safe.

Thank you. I request you all to standup for the National Anthem.”

**(National Anthem was played).**

\*\*\*\*\*