

**SPEECH BY DR. SANDEEP SAXENA, I.A.S.,
CHAIRMAN AND MANAGING DIRECTOR,
TAMILNADU NEWSPRINT AND PAPERS LIMITED AT
THE 45TH ANNUAL GENERAL MEETING OF
SHAREHOLDERS OF THE COMPANY ON
THURSDAY, THE 18TH SEPTEMBER, 2025 AT 12:30
P.M. THROUGH VIDEO CONFERENCE.**

LADIES AND GENTLEMEN, VANAkkAM.

A very warm welcome to all our shareholders, my colleagues on the Board, Auditors and other stakeholders of the company to this 45th Annual General Meeting.

The Annual General Meeting of our company has been conducted thru Video conference from the year 2020, I look forward to meeting you all in person, in the upcoming AGMs.

I am delighted to present the Board's Report and the Audited Accounts for the year ended 31st March, 2025

themed “Great Place to Work” – “*The Back bone of our success – The TNPL work force*” and with your permission I shall take them as read. I trust you would have gone through the same by now and noted the performance by the Company during the financial year 2024-25. This year, our journey has been of resilience, innovation and strategic planning.

As you know your company was promoted by the Government of Tamilnadu to produce Newsprint and Printing & Writing Paper (PWP) using bagasse as the primary raw material and was incorporated on April 16, 1979 under the Companies Act, 1956. The mill was established at Kagithapuram and the commercial operations was commenced in 1985 with an installed capacity of 90,000 tonnes per annum (50,000 TPA for Newsprint and 40,000 TPA for printing and writing paper) and over the years, the Unit is now equipped with state-of-the-art automation in all three modern high-speed paper machines, producing over 4,00,000 TPA, making TNPL one of the prominent bagasse-based paper manufacturers across the globe. Unit I boasts of

four decades of undefying trust, uncompromising quality and sustainability.

Your company, in the quest of becoming the world leader in the pulp and paper industry, a Paperboard project was conceived by TNPL, paving the way for the emergence of Unit II. Spanning over an area of 874 acres in Mondipatti, Trichy district, TNPL Unit II was designed to produce 2,00,000 MT high-grade paperboard per annum. With a record of completing the whole project in a span of just 22 months, Unit II currently produces just over 1,80,000 MT per annum. The new hard wood pulp plant commissioned at Unit II with a capacity of 1,40,000 Mt per annum is working well and quality pulp is being supplied for Board production and also excess pupl available is used at Unit I. The total pulping capacity available as on date amounts to 1,580 tonnes per day which was started with 300 tonnes per day (TPD) in 1984.

With persistent efforts to attain 100% sustainability and Zero-waste manufacturing, your company also commissioned a Cement Plant in January 2013, manufacturing superior quality cement grades using the

solid waste generated from our Paper Mill, viz. lime sludge and fly ash. Started with a capacity to manufacture 600 TPD, it is now enhanced to 900 TPD on introduction of pre-calcliner and other balancing equipment. Right from raw material procurement to cement production, your company's Cement Plant is equipped with the most innovative and ultra-modern machinery to perform all its operations in-house.

At TNPL, we are a responsible organization committed to preserve our ecosystem and reduce our carbon footprint. We have ventured into generation of green energy through Renewable Energy resources and have installed a 15 MW Wind Farms at Devarkulam and Perungudi in Thirunelveli District in FY 1993-94. Through the years, after carrying out capacity additions in four phases in Devarkulam, the plant's current capacity stands at 35.5 MW.

VISION AND MISSION:

Your company has been operating with a Vision **to adopt state-of-the-art contemporary technology and**

be the world's most sustainable brand to manufacture eco-friendly paper and paperboards. We also strive to create an inclusive work environment, become the best place to work at, and grow in favourable opportunities.

In line with the above Vision, the company's Mission has been **to manufacture paper and paperboards of top-notch quality and achieve over 1 million tons per annum by the end of 2030. Besides that, we also focus on becoming the number one choice for our customers and provide our products at the most affordable and competitive prices, meet our financial goals and create a culture of safety and sustainability.**

We are exploring new segment to forward integrate in value-added products using paper and boards as a raw materials and are in active discussions with paper machine manufacturers to get into newer categories of value added papers.

GREAT PLACE TO WORK - CERTIFIED

I am thrilled to share that your company has successfully completed the assessment conducted by Great Place To Work®, India, and has achieved the prestigious Great Place to work Certification. Our overall Trust Index score stands at an impressive 96% (while India Top best companies to work for stands at 91%), a remarkable reflection of the positive, collaborative and respectful environment we fostered together. The fact that 95% of our employees participated in this survey speaks volumes. This certificate is valid from December 2024 till December 2025.

The theme of the annual report for the financial year 2024-25 is based on this great achievement as an honour to our workforce.

OPERATIONAL AND FINANCIAL OVERVIEW:

During the year, your Company has produced 4.25 lakh MTs of Paper and sold 4.32 lakh MTs of Paper.

In Packaging Board Plant, your Company has produced 1.89 lakh MTs of Packaging Board and sold 1.83 lakh MTs of Packaging Board.

During the year your Company has produced 3.01 lakh MTs of total pulp comprising of Hardwood Pulp (HWP), Chemical Bagasse Pulp (CBP) and Deinked Pulp (DIP) in Unit I and 1.28 lakh MTs of Hardwood Pulp (HWP) in Unit II. The total Pulp Production during the year was 4.29 lakh MTs.

During the year 2024-25, the Paper industry faced price corrections in packaging, printing and specialty papers segments due to fluctuating raw material costs and raising imports. There was also a hike in domestic wood prices due to heightened demand from other wood-based industries and lower plantation during Covid, this led to severe price pressure on domestic mills, resulting in reduction in sales realization. The combination of these two factors has severely impacted the profit margins and affected the profitability of the company during the year. However, the company has maintained capacity utilization and sold higher quantity of paper as

compared to previous year. The company has earned a Profit before tax (PBT) of Rs. 5.29 crore and Profit after tax (PAT) of Rs. 3.72 crore for the financial year 2024-25.

Market capitalization on 31.03.2025 stands as Rs. 873.43 crore.

Further, the Board of Directors of your Company have recommended the payment of Dividend @ Rs. 3/- per share i.e. 30% on the face value of Rs. 10/- per share out of profit of the company despite requirement of funds for capex and repayment of Loans.

MARKET OUTLOOK:

During FY 2025-26, Country continued to witness a significant increase in imports of Packaging grades and Writing papers from last FY. The rise in imports was attributed to very competitive pricing and consistent supplies from overseas suppliers. Imports have intensified competition in the Indian market, resulting in pressure on domestic manufacturers, including TNPL, to

maintain market share and price competitiveness.

The domestic market continues to reel under sluggish demand in Writing Paper segment. This is partly due to the ongoing digital transformation, which has led to a decline in traditional paper usage, economic uncertainties, shift in consumer behavior. The domestic market is also on high downward price pressure due to the influx of imports. While this may benefit customers and industries, local manufacturers had to face many challenges like fluctuations in raw material costs impacting production costs and margins.

It is expected that demand can be better in the coming season from November onwards and Qtr – 4 to be better in terms of Sale and realization.

We are in the phase of introducing many Products In PWP grade with improved bulk, Opacity & brightness which is expected to have better response from the Market. We are also introducing copier grades with improved bulk. These steps are also expected to result in improved sale and Market share in the coming months.

The Company has also taken many initiatives to improve the efficiency of plant operations at both Unit I and II

resulting in variable cost reduction. Purchase Department has also embarked on various cost reduction initiatives including vendor base development which has improved the competitiveness and reduction of input prices on a sustainable basis.

As far as Packaging is concerned, demand and realization was good in the FY in Q-1. Due to heavy imports at a very low price (with difference of Rs.6000/MT between Domestic and Imports), Domestic mills were forced to lower the prices in all grades in Q-2. Introduction of MIP from 22nd August onwards will allow Domestic Mills to be more competitive to Imports. However, we expect the demand to further improve from November onwards as by then the festivals will be over and demand from all segments including Publishing to be stable till end of FY. Sales realization is expected to be better in Q-3 & 4 and for the FY.

The latest amendment in GST rate of paper has caused anxiety in the market on the one hand the increase in GST from 12% to 18% has made the landed cost of paper dearer and also the IGST nil rate on imported paper for notebook makes imports relatively cheaper.

Also loss of input credit on paper supplied for notebook will cost price increase for the segment. However overall the latest GST changes has caused some negative sentiments in the market. The company is closely monitoring and will take adequate steps to manage the situation

ON GOING PROJECTS:

Tissue paper Machine in Unit - II:

Considering the market potential for Tissue paper, a 100 TPD capacity, state-of-the art Tissue Paper Machine along with its auxiliaries is proposed to be installed at Unit-II at an estimated project cost of Rs. 340 crores. The machine shall have facilities to produce different grades of tissue paper ranging from 13 GSM to 40 GSM, mostly made from high quality in-house Hard Wood Pulp. Order has been placed for Tissue Paper Machine and the manufacturing is in progress. The Tissue Paper Machine is expected to be commissioned by March, 2026.

Revamp of Steam and Power System in Unit - I:

The revamping of the existing steam and power system in Unit-I is taken up in phases to retire and replace the old low-pressure boilers installed since the mill's inception in 1985. Hence, in order to have reliable supply of utilities like steam and power for the mill operations, the installation of two high pressure boilers with steam generation of 125 TPH each, at 105 ATA, 525°C, along with a TG of 42 MW are being planned in phases. As part of Phase#1, order has been placed for a high-pressure boiler of 125 TPH capacity and the manufacturing is in progress. The high-pressure boiler is expected to be commissioned by March, 2026.

Rooftop Solar Power Plant at Unit - I and Unit - II:

In line with our commitment to environment and renewable energy, 1 MW each Rooftop solar power plants have been installation on buildings at both Unit-I and Unit-II, contributing to our efforts to reduce our carbon footprint. Commissioning of the project at both Units is likely to be completed by September, 2025.

ENVIRONMENT, SUSTAINABILITY AND GOVERNANCE:

Ever since the inception, your company has been devoted towards manufacturing products that are of the finest quality. Integrating ultra-modern technology with optimized operations, we are now one of the world leaders in the pulp and paper industry. A dedicated team of experts in the R&D department not only ensures that our customers get access to the best products and services, but also aids in achieving our sustainability goals. Our R&D department covers three key aspects viz. product and quality development, promoting sustainability and sustainable manufacturing practices that make us achieve our commitment towards producing top-of-the-line products and being environmentally conscious across all our inter-functional departments. Your company is known in the country for its environmental consciousness and eco-friendliness with the least water consumption per MT of the paper produced.

Further your company firmly believes that one operation's waste could be another's fuel and we continuously work on the concept of "Waste to Wealth". We ensure that most of the waste that are generated are being reused, recycled and repurposed to the maximum extent possible at all levels of our production.

TNPL has always been the torch-bearer of innovations, and thus all the operations are optimized with the adoption of futuristic and relevant technologies from all over the world. We always strive for excellence in all our activities and pool-in industry-best practices from across the globe and ensure that we set a benchmark of our own products of top-notch quality.

With our vision set to become the world market leader to not just manufacture the most eco-friendly products, but also implement sustainability across all our operations, we are constantly upgrading ourselves with the latest and forward-looking technology available in the market.

Started in 2004, TNPL's Plantation programme stems from our goal to achieve self-reliance in pulpwood. Covering 2,82,321 acres of plantation involving 58,077

farmers over the past 21 years, this initiative is dedicated to source pulpwood which is economically viable, socially acceptable and environmentally compatible with an objective to develop renewable and sustainable plantations in barren and degraded lands, thereby increasing the tree cover outside the natural forest.

The commitment to sustainability – in and beyond production – propels our passion for research and innovation resulting in the production capacity of 65 million pulpwood saplings every year.

Biodiversity -the variety of life in genes, species and in entire ecosystems, is vital for the humankind. We are determined to put biodiversity at the top of the Plantation management agenda. We are working hard to become the industry leaders in biodiversity, and with this mindset, we were able to understand as how we should manage our Pulpwood plantation programme.

Our Farm Forestry and Captive plantations are certified by the Forest Stewardship Council as FSC FM Plantation with non-High Conservation Value lands. By

avoiding planting near water catchment area or any other culturally significant area for indigenous communities and ethnic groups, TNPL negates any chance of damage either to livelihoods or the ecosystem.

- During the year, the company established high yielding Clonal Pulpwood Plantations in an extent of 25,564 acres involving 6,401 farmers.
- 79.70 lakh NM³ Methane gas was generated in the Bio-methanation Plant and consumed in Lime Kiln and Power Boilers, which has resulted in saving of 4,361.82 KL of furnace oil and 1,171.08 MT of imported coal.
- The wind farms with an installed capacity of 35.5 MW have generated 367.99 lakh Kwh units of “Green Power” during the year.
- Your company generated 7,536.26 lakh units of power (Unit I – 5,391.03; Unit II – 2,145.23), of which 7,461.04 lakh units were consumed (Unit I –

5,391.03; Unit II – 2,070.01) and 75.22 lakh units from Unit II were exported.

- Your company is the only paper company with a cement plant and has converted lime sludge and fly ash into 1,77,256 MT of high-grade cement in 2024-25.
- Implementation of various water conservation measures resulted in reduction of overall consumption of water in Unit I to 27.56 KL/per ton of Paper, one of the lowest in the industry.

CORPORATE SOCIAL RESPONSIBILITY:

Your Company is committed in being a socially responsible corporate entity. During the year, your Company has implemented several community development measures towards the broad sectors included in your company's CSR policy such as Education, Health Care, Community Development and Infrastructure Development, Environment & Soil Quality

and Culture & Heritage. Your Company has spent Rs. 6.35 Crore for CSR activities during 2024-25 by mainly focusing on enhancing the socio-economic status by conducting skill development programme, sports promotional activities, free education to the children of downtrodden people, sponsorships, special coaching classes, general medical camp and monthly mobile medical camps in the villages surrounding your company's factory, supply of free drinking water facilities etc.,

DIGITAL TRANSFORMATION:

Your company has a robust methodology to understand the consumption & production details, and compare the actual performance and the Annual Operating Plan in terms of production output, raw materials and variable costs through our Enterprise Resource Planning system. Sophisticated software is also installed to closely monitor treated effluents, emissions and ambient air.

Further, in future, we plan to adopt variable cost control by optimized use of raw materials, optimize output

quality through ERP-Control System integration, and put big data to use.

AWARDS AND RECOGNITION:

Your Company was recognized with many notable awards and accolades during the year. The major awards are highlighted here:

1. TNPL secured 2nd place in the 'Manufacturing - Public - Large' category of the Excellence in Cost Management Awards 2024, organized by The Institute of Cost Accountants of India. These national awards, instituted in 2003, recognize organizations excelling through efficient and innovative cost management practices.
2. TNPL was recognized among India's Best Workplaces in Health & Wellness 2024 by Great Place to Work, with a 96% Trust Index and high scores in management credibility, respect, and fairness - reflecting our strong culture of employee well-being.

3. TNPL won the Happiness and Well-being Award 2024 by Happy Plus Consulting and ETHR World (The Economic Times) for its exceptional commitment to fostering a culture of happiness and well-being in the workplace, earning certification as one of the "Happiest Places to Thrive."
4. TNPL has won the Greentech Corporate Communications & PR Award 2024 for Excellence in Corporate Communication Strategy. The recognition highlights our strategic communication approach that enhances brand value, fosters transparency, and strengthens engagement with stakeholders including customers, employees, investors, and the community.
5. TNPL won the OHSSAI HSE Excellence & ESG Global Award 2024 in March 2025, for its outstanding achievements in Safety Excellence.
6. The Company won the Green Manufacturing Leadership Award in March 2025 for outstanding achievements in Safety Excellence.

7. The Company was honoured as the Gold Winner at the SKOCH Governance Assessment & Awards 2024 in February 2025.
8. TNPL won Gold at the 10th Annual Six Sigma Case Study Competition organized by National Institution for Quality and Reliability (NIQR) in December 2024.
9. The Company was awarded the National Energy Conservation Award (NECA) 2024 during December, 2024.
10. The Company was awarded the CII National Award for Excellence in Energy Management for Energy Efficient Unit and Most Useful Presentation, in September 2024.
11. The Company was awarded as Winner in November 2024 for the Golden Peacock Sustainability Award, 2024 organized by the Institute of Directors (IOD).

12. The Company won the Greentech PCWR Award for Excellence in Pollution Control, Waste Management, and Recycling, in July 2024.

ACKNOWLEDGEMENT:

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.

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

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

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

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

Let me conclude by saying that we will ensure that our shared future continues to shine brightly with many more milestones in our journey ahead.
