



Tamil Nadu Newsprint and Papers Limited

(A Govt. of Tamil Nadu Enterprise)

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TNPL - The Corporate Identity Number : L22121TN1979PLC007799

Dated: 25th September, 2020

To BSE Limited (BSE) Corporate Relationship Department Phiroze Jeejeebhoy Towers 25th Floor, Dalal Street Mumbai- 400001	To National Stock Exchange of India Limited (NSE) Listing Department Exchange Plaza, 5th Floor, Plot No. C/1, G Block, Bandra Kurla Complex, Bandra (East), Mumbai – 400051
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Sub : 40th Annual General Meeting of Tamil Nadu Newsprint and Papers Limited held on 18th September, 2020 – Transcript.

With regard to the 40th Annual General Meeting of the Company held on 18th September, 2020, thro' Video Conference, we enclose herewith the copy of transcript of meeting, in accordance to General Circular No. 14 / 2020 dated 8th 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

B Ravishanka
B. RAVISHANKAR
COMPANY SECRETARY

Encl: as above

TRANSCRIPT OF THE
40TH ANNUAL GENERAL MEETING OF THE COMPANY
HELD ON 18TH SEPTEMBER, 2020 AT 10:15 AM

1. CORPORATE/ MARKETING VIDEO:

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

2. WELCOME ADDRESS - THIRU. N. MURUGANDAM, I.A.S., CHAIRMAN:

“Good morning everybody. I extend a very warm welcome to everyone for this 40th Annual General Meeting of the Company. 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 me an opportunity to reach out to shareholders from far off geographical locations and therefore is a welcome mode for this meeting.

For safety reasons, each of us is in a different location. I am joining this AGM from the Registered office of the Company at Chennai. Before we start the main proceedings of the meeting, I request the other Board members on the video conference to introduce themselves.”

Thiru. S. Sivashanmugaraja, I.A.S., Managing Director:

I am S. Sivashanmugaraja, I.A.S., Managing Director, I am joining this Annual General Meeting from our Corporate Office at Chennai.

Thiru P. B. Santhanakrishnan, Independent Director:

I am P. B. Santhanakrishnan. I am joining this Annual General Meeting from our Registered Office at Chennai and I am an Independent Director on the Board of this Company.

Dr. M. Arumugam, Independent Director:

I am M. Arumugam. I am joining this conference from my office at Chennai.

Thiru V. Chandrasekaran, Independent Director:

Good morning. I am V. Chandrasekaran. I am joining this Annual General Meeting from my residence in Mumbai and I am an Independent Director on the Board of this Company. I am the Chairman of the Audit Committee and the Nomination and Remuneration Committee. Thank you.

Tmt Soundara Kumar, Independent Director:

Good morning. I am Soundara Kumar. I am joining this Annual General Meeting from my residence in Coimbatore and I am an Independent Director on the Board of this Company.

Thiru Srikrishna and Thiru R.N. Prasad, M/s. Brahmayya & Co., Statutory Auditors:

Good morning. This is Sri Krishna and R.N. Prasad, we both are partners of Brahmayya & Co., Statutory Auditors of the Company, joining the meeting through Video conference from our office. Thank you.

Thiru N. Narayanan, I.A.S., (Retd.), Independent Director:

I am N. Narayanan, I.A.S., (Retd.). I am joining this Annual General Meeting from my residence in Chennai and I am an Independent Director on the Board of this Company. I am the Chairman of the Corporate Social Responsibility Committee and the Stakeholder's Relationship Committee.

3. QUORUM:

Thiru. N. Murugandam, I.A.S., Chairman:

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

The Directors Thiru. S. Krishnan, I.A.S., and Tmt. Reeta Harish Thakkar, I.A.S., they are not present today due to pre-occupation with their office work.

95 shareholders have joined the meeting thro' video conference.

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 AGM 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 electronically for inspection by the members during the AGM. Members seeking to inspect such documents can send their requests to 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 services of National Securities Depository Limited. 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 the Chairman 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 voting, on all resolutions set forth in 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 of this AGM.

4. CHAIRMAN'S SPEECH:

Thiru. N. Murugandam, I.A.S., Chairman:

The Company has taken all feasible efforts under the current circumstances to enable members to participate through video conference and vote at the AGM. I thank all the members, colleagues on the Board and Auditors for joining this meeting over video conference. I hope all of you are safe and you are in good health.

With that, I would like to move on to my address to the shareholders.

LADIES AND GENTLEMEN, VANAKKAM.

I extend my warm welcome to all of you to this 40th Annual General Meeting of your Company. The Directors' Report and the Audited Accounts for the year ended 31st March, 2020 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.

Paper industry plays a significant role in the Indian Economy. Your Company commenced newsprint and printing and writing paper production in the year 1984 with a capacity of 90,000 tonnes per annum. Since then, your Company has grown steadily and enhanced the capacity to 6,00,000 MT consisting of 4,00,000 MT of printing and writing paper and 2,00,000 MT of Multilayer Packaging Board with adequate in-house facilities for pulp, power and filler materials.

With the consistent growth, your Company has emerged as the third largest producer in the Indian Paper Industry. Over the years, your Company has built a good reputation among all its stakeholders.

OPERATIONAL AND FINANCIAL PERFORMANCE:

During the year, your Company has produced 3,92,250 MT paper and achieved paper sales of 3,78,022 MT. 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 1,72,776 MT packaging paper board and achieved packaging paper board sales of 1,71,785 MT.

During the year, your Company has exported 71,603 MT of printing and writing paper valued at Rs.407.74 Crore and Packaging board was 4,420 MT valued at Rs. 22.69 Crore to 30 countries.

The overall results are satisfactory as the company has to contend with severe raw materials shortages, steep escalation in costs. These results were driven by higher sales volume, higher sales realizations as well as higher 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.

Market Capitalization as on 31.03.2020 was Rs. 615.63 crore.

Despite huge requirement of funds for capital expenditure and repayment of loans, the Board of Directors of your company has recommended payment of dividend at Rs.6/- per share i.e. 60% as against 75% in the previous year.

As part of Solid wastes management, your Company has set up a 900 tpd capacity Cement plant for producing high grade cement from solid wastes - lime sludge and fly ash. During the year, your Company has produced 2,52,303 MT of cement.

During the year, the overall borrowings increased by Rs. 218 crores.

AWARDS AND RECOGNITION:

TNPL is one among the 27 of the world's most important pulp and paper manufacturers participated in WWF Environmental Paper Company Index (EPCI) 2019. The EPCI is a tool for companies who are striving for continual improvement in the environmental performance of pulp and paper production and want to be recognized publicly for their leadership in transparency. TNPL improved its overall performance in 2019 (73.5%) when compared to 2017 (68.6%), 2015 (66.1%) and 2013 (57.6%). In Graphic Paper category, TNPL received highest score in Asia. Globally, among the thirteen participating companies under Graphic Paper category, TNPL stands at sixth position.

TNPL has been awarded the "Water Stewardship Award" during India Corporate Governance and Sustainability Vision Summit 2020 on 18th February, 2020 at New Delhi conducted by Indian Chamber of Commerce, Kolkatta. TNPL received this award three times consequently during Corporate Governance & Sustainability Vision Award-2018, 2019 and 2020 in the category of "Water Stewardship Award" conducted by Indian Chamber of Commerce, Kolkata. This award sets out to recognize a Company's effective management and mitigation of water related impacts for adapting for water positive tomorrow.

TNPL is one among the 11 companies awarded with both shield and certificate for "Industry Excellence Award" during IEI Centenary Industry Excellence Award ceremony, New Delhi, in the month of November 2019. The award is aimed at setting bench-marks for emerging industries with regard to quality, productivity, innovation and Corporate Social Responsibility.

TNPL has been awarded as Winner for "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 Marriott Hotel, Bengaluru in the month of July'2019.

CURRENT STATUS OF PAPER INDUSTRY:

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 Covid 19 pandemic, 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.

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 & GreyBack 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.

Broadly, the industry is classified into four main segments- namely, writing and printing papers, Industrial packaging paper, specialty paper and newsprint. India holds 15th rank among paper producing countries in the world with a total installed capacity of 16 million tonnes. The demand is estimated at 17 million tonnes. The per capita consumption is around 13 kgs against the Asian average of 26 kgs and World average of 58 kgs. India is considered as the fastest growing market for paper in the world with an average annual growth of 6%.

The Indian paper industry has close linkages with economic growth. India's growth in the fourth quarter of the fiscal year 2020 went down to 3.1% according to the Ministry of Statistics. This drop is mainly due to the coronavirus pandemic effect on the Indian economy.

Increasing literacy level increases the demand for writing and printing paper while higher industrial output leads to increased demand for industrial paper for packaging. The cumulative annual growth rate in paper consumption over the last five years has prompted Indian paper manufacturers to undertake significant capacity expansions. The cost of input material, primarily pulp and coal, has increased after remaining subdued for some time, though coal prices are highly fluctuating.

The increase in pulp and waste paper prices have escalated the cost of production of paper for many mills across the globe. This trend of high input prices is also due to the growing demand in emerging economies. A strong upswing in the pulp and paper market is being forecast based on the general improvement in the economic situation and increasing literacy level in the developing countries.

In spite of the continual focus on digitization, India's requirement for paper is anticipated to rise 53 percent in the next six years, principally due to a sustained boost in the number of school-going children in rural areas. Growing consumerism, modern retailing, rising literacy and the growing use of documentation will continue to increase the demand for writing and printing paper.

The exponential enlargement of e-commerce in the nation has opened up the latest horizon and could contribute significantly to the demand where the paperboard is being predominantly used for packaging.

Though India's per capita utilization is quite low compared to global peers, things are looking up and a requirement is set to rise from the present 13 MT to an estimated 20 MT by 2025.

Continuous year-on-year increase in zero duty imports of paper and packaging board under Free Trade Agreements, shortage of raw materials, rise in pulpwood prices, poor wastepaper collection mechanism are some of the major areas of concern faced by the paper industry on a continuous basis.

Indian paper industry has to manage the above challenges through raising pulpwood plantation, increasing wastepaper collection mechanism and implementing effective and efficient cost control measures to compete with the imports under zero duty.

FUTURE OUTLOOK:

Indian Paper Industry is highly fragmented with over 750 paper mills of varying sizes spread across the Country. Only 50 mills are of a capacity of 50,000 tpa or more. The overall capacity utilization is estimated at 80-90%.

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.

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.

As part of the growth plan, your Company has embarked on a Mill Expansion Plan (MEP) in Unit II to take the mill capacity from 2,00,000 MT to 3,65,000 MT per annum of Multilayer Coated Paper Board, along with a 30 MW captive co-generation power plant. TNPL will be installing a state-of- the art Paper Machine for 1,65,000 MT of paper per annum and a 400 tpd chemical hardwood pulp mill with chemical recovery boiler and Waste water treatment plant and other auxiliaries at a total capital outlay of Rs.2, 520 crores.

With the implementation of the expansion plan, the overall paper and packaging board production capacity in Unit I and Unit II of your company will be increased to 7,65,000 MT per annum from the current capacity of 6,00,000 MT per annum along with pulping facilities.

ENVIRONMENT PROTECTION:

As you are aware your company is one among the 27 of the world's most important pulp and paper manufacturers participated in WWF Environmental Paper Company Index (EPCI) 2019.

TNPL treats environment improvement as a priority area. Continuous studies are undertaken to reduce water consumption with improvement in the quality of effluent. Compliance to pollution control norms and CREP regulations are strictly adhered to.

With the implementation of various water conservation measures, overall water consumption has been reduced from 40 KL per ton to about 35 KL per ton of paper which is one of the lowest figure in the Integrated Pulp and Paper industry in the National Level. Continuous efforts are taken to reduce the water consumption to maximum possible extent at all stages.

Further as part of rain water harvesting, your Company has engaged the services of Anna University to identify potential areas and accordingly constructed three Rain water Collection Pits each about 5000 sq meters surface area in its housing

colony premises and one reservoir with surface area of about 30,000 sq meters within the mill premises.

Your Company has generated 405 lakh Kwh units of “Green Power” during the year through its two wind farms.

Your Company has set up a Clonal Propagation & Research Centre (CPRC) in the factory through which 40 million seedlings and clones have been produced and dispatched to the fields.

Your Company has paved the way to reap maximum benefit out of the barren lands while promoting green cover and uplifting the lives of farmers by introduction of two plantation schemes in the year 2004, namely the Farm Forestry Scheme and Captive Plantation Scheme which are economically viable, socially compatible and people centric. Till date, your Company has implemented over 1,67,615 acres of which 16,465 acres are under the captive plantation scheme, 2504 acres under Revamping scheme, 885 acres under Demonstration plot scheme and 1,47,761 acres are under the Farm forestry scheme involving more than 32,209 farmers.

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 Promoting Education, Health Care, Social development, Livelihood and Economic improvement, Environment & Sanitation, Culture & Heritage and Soil & Water conservation. Your Company has spent Rs. 3.99 Crore for CSR activities during 2019-20 by mainly focusing to enhance the socio economic status by conducting skill development programme, providing note books, providing drinking water facilities etc.

ACKNOWLEDGEMENT:

I take this opportunity to place on record my sincere thanks to the Central 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.

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

I express my gratitude to all the Health workers for their untiring service and appreciation for the public in facing the Covid 19 pandemic.

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

5. STATUTORY AUDITOR'S REPORT:

Thiru. N. Murugandam, I.A.S., Chairman:

I now provide a summary of the Auditors' Report.

The Statutory Auditors, M/s. Brahmayya & Co. have expressed unqualified opinion in their audit report for the financial year 2019-2020. There were no qualifications, observations or adverse comments on financial statements and matters. The Statutory Auditors' report on financial statements is available on Page numbers 153 to 164 of the annual report.

The NIL report from the Comptroller and Auditor General of India has already been sent separately to shareholders and is available in Page 165 of the annual report.

The Secretarial Auditors, M/s. R. Sridharan and Associates, have expressed unqualified opinion in their audit report for the financial year 2019-2020. There were no qualifications, observations or adverse comments on financial statements and matters. The Secretarial Auditors' report on financial statements is enclosed as Annexure 2 to the Board's report on Page number 53 to 57 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:

Thiru. N. Murugandam, I.A.S., Chairman:

As 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 Thursday 10th September, 2020. The remote e-voting period commenced on Monday, 14th September, 2020 (9.00 AM) IST and ended on Thursday 17th September, 2020 (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 10th September, 2020, 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. There are 9 resolutions proposed to be passed at this Annual General Meeting – 7 Ordinary Resolutions and 2 Special Resolutions.

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 March 31, 2020 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. 6/- per Equity Share of face value of Rs. 10/- each, for the financial year 2019-20.

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

Tamil Nadu Sugar Corporation (TASCO), an enterprise belonging to the Tamil Nadu Government, is one of the shareholders of the Company, since inception. Tmt. Reeta Harish Thakkar, IAS, Commissioner (Sugar) and Managing Director of TASCO on the Board of the Company, who is retiring by rotation and being eligible offers herself for reappointment.

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

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

Item No. 6 of the Notice – Appointment of Thiru P. B. Santhanakrishnan (DIN - 03213653) as an Independent Director of the Company, by an Ordinary Resolution.

Item No. 7 of the Notice – Appointment of Dr. M. Arumugam (DIN - 01439166) as an Independent Director of the Company, by an Ordinary Resolution.

Item No. 8 of the Notice – Re-appointment of Thiru N. Narayanan I.A.S. (Retd.) (DIN - 03076340) as an Independent Director of the Company, by a Special Resolution.

Item No. 9 of the Notice – Re-appointment of Tmt Soundara Kumar (DIN - 01974515) as an Independent Director of the Company, by a Special Resolution.

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

Members who have not cast their vote thro' "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:

Thiru. N. Murugandam, I.A.S., Chairman:

Now I would request the Managing Director, Thiru S.Sivashanmugaraja, I.A.S., to address the shareholders' queries.

Thiru S.Sivashanmugaraja, I.A.S., Managing Director:

Thank you Sir.

We have received requests from 4 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 2019-20 and confine their observations/ comments to preferably about 5 minutes.

Before we go live with the Question & Answers, 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. In case of any queries which require elaborate replies, the same will be replied by email.

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

Now we request Thiru. Magesh, DP/ Client ID IN1201090013566467, to unmute himself and kindly proceed with the question.

Shareholder No. 1 - Thiru. Magesh, DP / Client ID IN1201090013566467

Anaivarukkum kaalai vanakkam. I am Magesh one of the shareholder. First I would like to thank the Board members for the achievements throughout the year and paid Final dividend of Rs 6/- per share for the financial year ended on 31st March, 2020. And further I congratulate the management for taking all the steps to run the operations successfully even in the difficult times.

Thank you very much. Thank you Sir.

Thiru S.Sivashanmugaraja, I.A.S., Managing Director:

Thank you Thiru. Magesh I would like to call upon the next shareholder.

Now we request Tmt. M. Sumathi, DP/ Client ID IN30108022236262 to unmute herself and kindly proceed with the question.

Shareholder No. 2 - Tmt. M. Sumathi, DP / Client ID IN30108022236262 (Her son Mr. Harihara Sudhan speaking on her behalf.)

Hello. Good morning sir. Trust all is well with you and your family in the challenging situation. In spite of Covid-19, our AGM is conducted by Virtual mode, we have missed our trip to Chennai. However as a long term shareholder in our Company, I wish to acknowledge the untiring efforts of the management despite Covid-19 in working towards implementing the phase 1 expansion project and special appreciation for the Directors.

Thank you very much.

Thiru S.Sivashanmugaraja, I.A.S., Managing Director:

Thank you Mr. Harihara Sudhan. I think he has spoken for and on behalf of his mother Tmt. M. Sumathi. Ok.

Now we request Tmt. Pushpadevi Khandelwal, DP/ Client ID 1201060003686837 and Thiru. Hemant Khandelwal, DP / Client ID 1204470005102225 to unmute themselves and kindly proceed with the questions.

Shareholder No. 3 - Tmt. Pushpadevi Khandelwal, DP / Client ID 1201060003686837 and Thiru. Hemant Khandelwal DP / Client ID 1204470005102225

Distinguished Members of the Board, Fellow shareholders, Namaste. I am Hemat Khandelwal, Shareholder from Chennai. At the outset I wish and pray good health for all. I complement the company on the 40th Annual General Body Meeting. I thank the Chairman for granting this opportunity, I appreciate the arrangement and the presentation made for this virtual AGM. I extend gratitude to our Company Secretary, Shri. Ravishankarji and his team for presenting the Annual Report in detailed, transparent and informative manner. The presentation and the design is excellent and I would like to record my appreciation in this regard. I thank Company Secretarial department for coordination and assistance in the technical aspects of this virtual AGM. I appreciate the moderator for assistance here.

Sir, the presentation made in the meeting and the details stated in the Annual Report speaks everything in detail. I wish, Sir, as a shareholder I would like to present and share my view and observations.

Sir, in view of education institutions not open yet what is demand outlook for this particular segment. How company is managing in this regard?

And Sir, with respect to the page no. 161 of our Annual Report, the detail with respect to the tax dispute with various authority, Sir, some disputes are as old as 1991 Sir, I request Board to take appropriate steps to resolve and settle the dispute by opting 'VIVAD SE VISHWAS' and 'SABKA VISHWAS' scheme and this would help in reducing the legal cost in a significant manner.

Sir, I would like to congratulate the company for receiving various awards for incorporating sustainable business model and environmental friendly business practice. All these awards is a result of hardwork and the dedication of TNPL team.

I complement the company and wish all the best and Sir, we are very happy and satisfied with our company's contribution to society, to business and CSR activity.

Sir, I would, we support all the resolutions proposed by the company and finally Sir, one small request, I would like to suggest company to adopt digitalization in the business and operations to improve efficiency and at the same time, we are very very happy with the company's performance and once again, I wish to thank Chairman for this opportunity Sir. Thank you.

Thiru S.Sivashanmugaraja, I.A.S., Managing Director:

Thank you Mr. Hemant Khandelwal.

Now I can call upon Thiru. Santosh Kumar Saraf, DP / Client ID 1206780000018010 and Thiru. Sanjog Saraf DP / Client ID IN30306910002720 to unmute themselves and kindly proceed with the question.

Shareholder No. 4 - Thiru. Santosh Kumar Saraf, DP / Client ID 1206780000018010 and Thiru. Sanjog Saraf, DP / Client ID IN30306910002720

Hello.

Thiru N. Muruganandam, I.A.S., Chairman:

Sir, please go ahead, we can hear you.

Thiru S.Sivashanmugaraja, I.A.S., Managing Director:

Ya, please go ahead Sir, we can hear you.

Shareholder No. 4 – Thiru. Santosh Kumar Saraf:

Ok Sir, Thank you.

One minute Sir, Respected Chairman and Board members, my name is Santosh Kumar Saraf, I am shareholder of TNPL.

Thiru N. Muruganandam, I.A.S., Chairman:

We are not able to hear him.

Shareholder No. 4 – Thiru. Santosh Kumar Saraf:

I am from Kolkatta It is my very good luck to attend the meeting before the collector Sir.

If Covid-19 not come, we never get the chance, Covid is bad for everyone, but good for technology Sir. Because it is due to Covid we get the technology Sir and now we are coming with video from remote area sir.

Sir, I already sent a letter to Company Secretary last 2 or three days back

Sir, I thank the Board of Directors there is a sound problem so chairman Sir, you please put my letter before the chairman and you give the reply sir. And I request to please organize the video conference meeting so we can attend the meeting from remote otherwise we never get a chance sir. Now I am ending my speech because there is audio-video problem with chairman. Thank Mr. Secretary, you put my letter before the chairman. Thank you.

Jai Hind. Jai Bharath. Jai Sriram. Namaskar Sir.

Thiru S.Sivashanmugaraja, I.A.S., Managing Director:

Thank you Thiru. Santosh Kumar Saraf.

8. REPLIES TO SHAREHOLDERS:

Thiru S.Sivashanmugaraja, I.A.S., Managing Director:

4 shareholders have requested to be speaker shareholders and have asked their queries, which I think we will go thro' and I will respond to them.

Sir, What are Covid 19 impact and effects on the company's income?

Due to Covid 19 pandemic demand for printing and writing paper was severely hit during the peak season . From April to August during this Covid period order flow had dipped to a great extent. For this same period April to August 2018-19 the orders were 1.20 lakh metric tonnes and 2019-20 it was 83000 metric tonnes but during this year it was only 41000 metric tonnes. Therefore like any other paper manufacturer we were also affected. Fortunately Paper Board and Cement sales were not hit as badly as Printing and Writing paper.

Among various business segments within the paper industry the packaging industry has fared well across all segments.

- Pharma segment is not affected
- Sit & Eat restaurants are closed. Home order for food is increasing resulting in increase in consumption of packaging boards.
- Medical equipment supplies have not been affected.

- Work at home leads to demand for computer devices, online orders resulting in increased consumption of packaging boards.
- Textile industry is gradually improving resulting in packaging board consumption.
- FMCG and growth of E-Commerce business is also growing.

Similarly cement sales was also not affected and in fact we registered record sale in cement.

Besides this we were able to contain the production cost by various internal measures.

Hence, we were able to prevent the loss to some extent. We were facing a PBT of – 60 crores. Because of paper and board and to some extent we were able to maintain paper sales through exports and government the PBT was restricted to around – 30 crores.

We are keeping a positive outlook as the market is gradually opening up for printing and writing paper demand will pick up again as we will witness.

- Increase in physical corporate meetings - increase in hard copy printouts
- increase in demand for printed text books even with the online classes.
- Increased consumption of stock at converters' place due to increased demand.
- Use of calendars and diaries by Non-government private institutions and common public resulting in increased offtake by the converters who buy paper from TNPL.
- Use of notebooks and exercise books - writing will never be stopped or discouraged.
- Use of examination paper - paperless exams are still yet to become feasible.
- Use of pamphlets, magazines, flyers will continue.
- Photocopying and laser printing has to be done only on paper.
- Project Reports, Annual Reports are done only on paper.

- Opening of schools, colleges, institutions, tutorial colleges, courts, software companies, port trust, Corporations, MNC offices, Public Sector undertakings, banks, state and parliament assembly sessions.
- Opening up of small time jobbers, student copy centers, variable data printers, large jobbers like copying, binding, lamination, all in one shops.
- Opening up of small stationery retailers, super stores, chain stores.

The present situation is expected to further push up the use of packaging board in the pharma industry. With the ban on plastic material increase in home delivery of various products could lead to higher demand of packaging grades of boards through e-commerce.

However, the biggest hope for the industry is the potential for per capita paper consumption which is good in our country which is at present 14 kgs is likely to go upto 17 kgs by 2024-25.

The industry is hoping that Covid 19 pandemic fades away and business gets back to normalcy with schools, educational institutions, commercial establishments functioning normally within a couple of months so that it would trigger the industry volume growth again.

Like, there was a question from Mr. Santosh Kumar Saraf, asking that any interim dividend would be paid and whether compared to last year there is no DDT payable by the company this year on behalf of the shareholder but it has to conserve funds to meet the future CAPEX and up gradation of plant facilities.

Now, your question has been noted sir, we will give you an answer on email.

The other question was do you have any plan this year to announce Buy back shares as general reserve and retained profit currently stands at 24 times of equity capital.

The answer is no. The company needs fund for meeting regular maintenance capex requirements, new projects and repayment of loans. Hence there is no proposal to buy back shares.

The other question is Is there any request for bonus shares or buy back shares envisaged by the company.

Now the answer is no. During the current year the company has to repay loans of around 400 crores on earlier projects and the company has to spend 50 crores towards normal capex and around 875 crores for MEP Unit II pulp mill expansion. Despite these high requirement of funds for operations and prevailing cash flow positions risen out of the outbreak of Covid 19 and continued lock down imposed

by the Government, the Directors have happily recommended the payment of dividend of 60% to the tune of Rs. 41.53 crores towards Dividend.

Now a clear answer is given here sir in Page no. 126 point no. 15 for Dividend details in your annual report.

Now, another question is what steps are taken by the management to maintain the impact and effect on business income and activities of the company all across business.

Sir, the management is focusing on reduction in raw material cost, improved efficiency in sales and the company is also reviewing the strategies to increase the sales.

Now what steps have been take to cut cost during Covid 19 pandemic and uncertainty situation in the business.

The answer would be is the company has undertaken excessive cost cutting measures and substantially reduced the variable cost. The cost cutting is reviewed on an on-going basis, efforts are also taken to increase the market share by the company in new areas and new markets.

Another question was The Board of Directors could think of cut their remunerations in Directors' sitting fees, commissions and perquisites etc. by 30% in this Covid pandemic 19 period when business suffering is very tough to survive.

Well the remuneration of Managing Director is paid in accordance with the Government rules as applicable to his cadre and for the Directors no remuneration except sitting fees for attending Board and Committee meeting is paid to Non-Executive Directors.

Another thing is one suggestion was the Board of Directors could also think of cutting the remuneration and perquisites etc., to Key Managerial Personnel by around 30% for this year. This is noted Sir.

What are the future plans for management to increase growth and income in the company. TNPL is currently implementing the Mill Expansion Plan in Unit II with total capital outlay of around 2520 crores in 2 phases which is already mentioned by the Chairman in his report. So the answer, the right answer, the full elaborate answer is given in page no. 40 of the Annual Report.

Another question is what is the impact on the company due to the tussle on border between, border issues between China and India and Government imposed restrictions on import in by many ways.

As far as our business is concerned there will not be any impact as such.

Now, there is another question which is asked here is kindly tell me how much amount has been contributed to PM Cares fund.

The company's contribution, contributed a sum of Rs. 1 crore to the Tamil Nadu Chief Minister's Public Relief Fund for Covid 19. So the company has not contributed anything for PM Cares fund.

Now another question is what was the expense that was incurred that was done directly in the last AGM.

The company had incurred around 26.27 lakh towards various expenses for conducting the AGM last year.

So with these questions I have answered all and anything to be answered in specific I think you could email to me and we could give you an answer. But by and large all the questions answered are totally covered in the books in our Annual Report which is very elaborate and it is covered completely. Thank you.

Now with this we will conclude the session from all the shareholders. So thank you very much sir.

9. CONCLUSION:

Thiru. N. Murugandam, I.A.S., Chairman:

Members may note that the voting on the NSDL platform will continue to be open for 15 more minutes after the closure of this meeting. As of now, about 115 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 Mr. R Sridharan of M/s R Sridharan & Associates, Company Secretaries, 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 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, shall be deemed to be passed today subject to receipt of requisite number of votes.

We had 115 members participating today in this 40thAnnual General Meeting. We are grateful to all our shareholders from across the country who have participated in this AGM, thro' 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.
