

# Chairman's Speech

43<sup>rd</sup> ANNUAL GENERAL MEETING

**25<sup>th</sup> September 2023 at 12.00 Noon**  
**at REGISTERED OFFICE,**  
No. 67, Mount Road, Guindy, Chennai - 600 032.



**TAMIL NADU NEWSPRINT AND PAPERS LIMITED**

No. 67, Mount Road, Guindy, Chennai - 600 032.

## LADIES AND GENTLEMEN, VANAKKAM.

I extend my warm welcome to all the shareholders, my colleagues on the Board, Auditors and other stakeholders of the company to this 43<sup>rd</sup> Annual General Meeting. The Board's Report and the Audited Accounts for the year ended 31<sup>st</sup> March, 2023 are with you and with your permission, I shall take them as read. I trust you would have gone through the same by now and are pleased with the performance achieved by the Company during the year 2022-23.

Your Company commenced paper production in the year 1984 with a capacity of 90,000 Metric Tonnes per annum. Over the years, the capacity stands expanded to 4.8 lakh Metric Tonnes per annum of Printing and Writing Paper. In 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.

During the year 2022-23, the Company has commenced the Modern Pulp Mill along with Chemical Recovery Island at Unit – II. With this, the pulping capacity has been increased to 1580 tonnes per day as of date.

### 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 tonnes by 2030 and to be the most preferred Supplier.** In this context, the company **has prepared a Roadmap for the next 5 years.**

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.



**TAMIL NADU NEWSPRINT AND PAPERS LIMITED**

No. 67, Mount Road, Guindy, Chennai - 600 032.

## OPERATIONAL, FINANCIAL PERFORMANCE AND OUTLOOK:

During the year, your Company has produced 4.21 lakh MTs of Paper sold entire production and achieved “Zero Stock” of Paper as on 31.03.2023.

In Paper Board Plant, your Company has produced 1.68 lakh MTs of Paper Board and sold 1.67 lakh MTs of Paper Board and carries minimum inventory as on 31.03.2023

During the year your Company has produced 3.13 lakh MTs of Hardwood Pulp (HWP), Chemical Bagasse Pulp (CBP) and Deinked Pulp (DIP) in Unit I and 1.08 lakh MTs of Hardwood Pulp (HWP) in Unit II. The total Pulp Production during the year was 4.21 lakh MTs.

During the year 2022-23, your company has achieved the highest ever total Revenue, EBIDTA since inception due to better realization and market conditions and also has improved efficiency in all areas of operation. The Profit before tax (PBT) is Rs. 602.76 crore and Profit after tax (PAT) is Rs. 387.87 crore. Market capitalization as on 31.03.2023 is 1510.87 crore. During the year, overall borrowings was reduced by 361.82 crore.

The Board of Directors of your Company has recommended the payment of Dividend @ Rs. 5/- per share i.e. 50% 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.

The company could achieve Zero Stocks of paper at Unit- I, for the second consecutive year and carry minimum inventory of Board at Unit- II. The year was good for the Writing & Printing segment of the Paper Industry, with demand continuing to be strong through out the year.

The new pulp mill was commissioned in the 1st quarter of the year giving the much needed relief in terms of self-sufficiency for the hardwood fiber at the Packaging board Unit. This led us to shift to making 100% virgin grade during the year, with focus on the fast – growing high value added cup stock segment, which uses more of our home hardwood pulp.



**TAMIL NADU NEWSPRINT AND PAPERS LIMITED**

No. 67, Mount Road, Guindy, Chennai - 600 032.

Educational demand of paper is cyclic which leads to periods of low demand and very high demand. Since customer demands are specific made to order sizes and additionally demand forecasting is poor, 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 offtake of paper during the entire year. The Company has 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.

On an overall basis the year ended on an optimistic note. Demand in the Printing & Writing segment has slowed down in the current year. Supplies from Imports are aplenty. This points to the next year being a subdued one. However, startup of the new pulp mill will help to enrich the product mix and to optimise cost.

Per capita consumption of paper is low in India, in comparison to the world average. Even if there is a slight uptick in the per capita consumption of the paper in India, the growth for paper and packaging board is expected to be good.

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.

### **PROJECTS:**

As part of its growth plan, the Phase I of Mill Expansion Plan (MEP) covering installations of a State-of-the-art Chemical Hardwood Pulp Mill along with Chemical recovery island and Augmentators of Service Utilities vice Captive Power Plant and Waste Water Treatment Plant were commissioned in July 2022 with a capital of 1380 crore. This will enable the Company to implement Phase II of the MEP for capacity enhancement at Unit-II in future.



**TAMIL NADU NEWSPRINT AND PAPERS LIMITED**

No. 67, Mount Road, Guindy, Chennai - 600 032.

The Revamping of Steam and Power system (RSPS) # 2 shall be carried out for a seamless integration of the RSPS # 2 with the existing coal feeding system and steam and power distribution system, which is estimated to be completed by June 2025 with a capital outlay of 520 Crore out of which Rs. 100 crore would be spent in this current year.

A programme to implement roof top solar of 2 MW capacity of floating solar will be taken up this year at an approximate cost of Rs. 12 crore.

The company proposes to install 5000 M<sup>3</sup> MLD Waste Water Treatment Plant at Unit-I to treat 5000 M<sup>3</sup> MLD of effluent and reuse it internally for mill operation and thereby reducing the rate of discharge of effluent to less than 25 M<sup>3</sup> / MT of paper with an estimated project cost of Rs.75 Crore.

### **ENVIRONMENT, SUSTAINABILITY AND GOVERNANCE:**

TNPL firmly believes that Impact on Environment due to industrial activities must be totally minimized by adopting appropriate environmentally benign technologies.

TNPL aims to achieve its environmental objectives and impact reduction measures with multiple approaches right from resource conservation to recycling, restoring ecosystems, conserving biodiversity, awareness creation.

- The company established high yielding Clonal Pulpwood Plantations in an extent of 22,495 acres involving 5359 farmers.
- 89.86 lakh m<sup>3</sup> Methane gas was generated in the Bio-methanation Plant and consumed in Lime Kiln and Power Boilers, which has resulted in saving of 5088.90 KL of furnace oil and imported coal of 432 MTs.



**TAMIL NADU NEWSPRINT AND PAPERS LIMITED**

No. 67, Mount Road, Guindy, Chennai - 600 032.

- The wind farms with an installed capacity of 35.5 MW have generated 394.51 lakh units of “Green Power” during the year.
- Implementation of various water conservation measures resulted in reduction of overall consumption of water in Unit – I to 30 KL/per ton of Paper compared to the industry standard of 45 KL/per ton of Paper.

### **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. 204.70 Lakhs for CSR activities during 2022-23 by mainly focusing on enhancing the socio economic status by conducting skill development programme, providing note books, drinking water facilities etc.

### **AWARDS AND RECOGNITION:**

Your Company was recognized with some notable awards and accolades during the year:

1. The Greentech International EHS Award 2022 at 2<sup>nd</sup> Annual Greentech International EHS Summit 2023.
2. “WINNER” in the “Water Stewardship Award” category during India Corporate Governance and Sustainability Vision Summit 2023 conducted by Indian Chamber of Commerce.



**TAMIL NADU NEWSPRINT AND PAPERS LIMITED**

No. 67, Mount Road, Guindy, Chennai - 600 032.

3. “Restoration and Conservation of Bio-Diversity and Conservation of High Conservation Value Forest in TNPL Unit - II” was selected as “Most Innovative Environment Project” at CII – Environmental Best Practices Award 2022.
4. CAPEXIL Top Exporter Award for the years 2017-18, 2018-19, 2019-20, 2021-22 and the Special Exporter Award for the year 2020-21.

### 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 support.

Let me conclude by saying that “We have come a long way” yet “we have miles to go before we sleep” and with your support we will achieve and reach our destination.

\*\*\*\*\*



**TAMIL NADU NEWSPRINT AND PAPERS LIMITED**

No. 67, Mount Road, Guindy, Chennai - 600 032.