

Tamil Nadu Newsprint and Papers Limited

(A Govt. of Tamil Nadu Enterprise)

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TNPL - The Corporate Identity Number : L22121TN1979PLC007799

Date: 4th September, 2020

To:

BSE Limited (BSE) Corporate Relationship Department Phiroze Jeejeebhoy Towers 25th Floor, Dalal Street, Mumbai- 400001	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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Dear Sir,

Sub: Disclosure on material impact of COVID-19 pandemic

Ref: SEBI Circular No SEBI/HQ/CFD/CMD-1/Cir/P/2020/84 dated 20.05.2020

Further to our letter dated 28th May 2020 and in terms of SEBI Circular No SEBI/HQ/CFD/CMD-1/Cir/P/2020/84 dated 20th May, 2020, the details relating to material impact of COVID-19 and the resultant lockdown on the operations of the Company are given under:

1. Impact of the COVID-19 pandemic on the business

On March 11, 2020 the World Health Organization declared Coronavirus outbreak (COVID-19) as a global pandemic. Responding to the potential serious threat that this pandemic has to public health, the Central Government and State Governments have taken series of measures to contain the outbreak, which included imposing nationwide lockdown with effect from 25th March, 2020 and the lockdown continued further across the country.

Indian paper industry is significantly impacted by lower demand, slowdown in exports cumulatively leading to decline in sales realisations and inventory buildup.

2. Ability to maintain operations including the factories/units/office spaces functioning and closed down.

Our factory was operational with effect from midnight of 24th March, 2020 only for the essential services such as Power Supply, Water and security services operating with minimum man power as the Company is covered under essential services. The factory has scaled up operations from 15th April, 2020 as per the directives of the State Government and Central Government guidelines as applicable.

3. Schedule, if any, for restarting the operations.

The Tamilnadu State Government has allowed operation of the essential supplies and the company is carrying on with its operations till date.

4. Steps taken to ensure smooth functioning of operations

Our Units have good infrastructure including employees mostly housed in the nearby company owned colony. No major difficulty is foreseen to fully stabilize the operations after the lockdown is by and large fully lifted.

Adequate safety measures are taken at our corporate office and Units based on the guidelines issued by Central/State/Municipal authorities such as sanitization, social distancing, mandatory mask wearing, and thermal check at the gate, use of Arogya Setu App and maintaining proper hygiene at work place. We have taken sufficient measures to ensure the safety and health of our employees.

The Digital technology is put to extensive use by introducing Virtual Meeting platforms which has enabled the Senior Management to be in regular touch with Units through video conferencing to build the confidence and morale.

The Company is taking necessary measures to contain costs, rationalize resources and taking initiative to increase revenue.

The Company continues to assess the situation and adapt its business strategy in accordance with the trend prevailing in the market and based on the relaxations expected from lockdown.

5. Estimation of the future impact of COVID-19 on its operations.

The Company has requisite systems in place to tackle the impact of COVID-19. The near term impact on business is contingent upon various factors such as lifting of lockdown and revival of economy with pickup in demand for Company's products.

The management will continue to review the plans from time to time and take further necessary steps as required to ensure smooth running of the operations.

6. Details of impact of COVID-19 on the company

i. Capital & Financial resources :

TNPL currently is managing to sustain its operations and activities, including Capex and Opex. These are being closely monitored focusing possible reduction in cost,

The Mill expansion project is being carried out as per schedule inspite of Covid -19 situation and the Company does not foresee any major delay in Mill Expansion project.

ii. Profitability:

The profitability of the Company has been adversely affected in the First Quarter and this trend is expected to continue in the Second Quarter.

iii. Liquidity Position:

The Company is facing challenges in managing liquidity due to adverse market conditions.

iv. Ability to service debts and other financial arrangements:

The Company is servicing the interest regularly. The Company has availed the moratorium facility provided by the banks for the term loan and working capital interest for the period from 15th June to 31st August 2020.

v. Assets:

The Company does not see incremental risk in recoverability of assets like inventory, debtors etc. The capex requirements are in process.

vi. Internal Financial Reporting and Control:

Our internal financial reporting and control are fully functional and not impacted due to COVID-19.

vii. Supply Chain:

There has been some disruptions in supply chains but these have not yet had any major impact on the day to day operations.

However, the Company is closely monitoring the scenario and do not foresee any material impact on its supply chain.

viii. Demand for its products/services:

The overall demand for Printing and Writing Paper and Multi Layer coated Board has been adversely affected during lock down. We expect that the demand of our products will pick up once the lockdown is completely lifted.

7. Existing contracts/agreements

The Company does not have any such contracts or agreements, where non fulfillment of the obligations may have significant impact on the Company's business.

8. Other relevant material updates about the company business

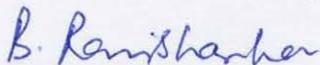
The Company is hopeful to meet the current challenges on the strength of its strong financial fundamentals/ The future course of COVID-19 and consequent Government interventions are however beyond the assessment of the Company.

The Company will continue to closely monitor any material changes to future economic conditions and accordingly furnish updates in the case of any material development or changes to the Stock Exchanges from time to time.

We request you to kindly take the above information on record.

Thanking you,
Yours faithfully,

For Tamil Nadu Newsprint and Papers Ltd.



B Ravishankar
Company Secretary