

Ref: SUBAM/BSE//10/2026

Date: April 17, 2026

To,
Manager (Listing)
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai - 400 001

Dear Sir / Madam,

Subject: Intimation under Regulation 30 of SEBI (LODR) Regulations, 2015- Commencement of Commercial Production

Scrip Code: 544267

Ref: Commencement of Commercial Production at New Manufacturing Facility

We wish to inform you that M/s. Subam Paper and Boards Private Limited the Wholly Owned Subsidiary Company has commenced the Commercial Production of Kraft paper at its Manufacturing plant situated at S.F.NO.: 126,128,129,140,141,142 Vaduganpati Village, IC Pettai, Tirunelveli, Tirunelveli, Tamil Nadu, India, 627010.

“Management out Look “is enclosed here with for your observation

Request you to please take the same on your record.

Thanking you,

Yours faithfully,

For Subam Papers Limited

Managing Director
T. Balakumar
DIN: 00440500



Place: Vaduganpatti/ Tirunelveli

Enc: Management Outlook.

SUBAM PAPERS LIMITED

Reg. Off. S.F.No. 143-146, Vaduganpatti Village, Nadukallur to Tirunelveli, Tirunelveli Taluk.
Tirunelveli - 627 010, Tamil Nadu, India.

Contact No: 9489926130, E-mail ID: finance@subampapers.com

Website: www.subampapers.com

CIN No : U21012TN2004PLC054403, GSTIN:33AAICS5376E1ZA



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Management Outlook

SUBAM PAPERS LIMITED (hereinafter referred to as 'the Company') is pleased to present its Management Outlook, setting out the strategic vision, operational developments, and growth roadmap for the Company and its wholly owned subsidiary, **Subam Papers and Boards Private Limited**. The Management believes that the ongoing capacity expansion, product diversification strategy, and the favourable secular tailwinds in the Indian paper packaging sector collectively position the Company for a transformative phase of growth, which is expected to generate sustained and superior long-term value for all stakeholders.

❖ Completion of Capacity Expansion- Automated Kraft Manufacturing Plant.

The Management is pleased to announce that Subam Papers and Boards Private Limited, the wholly owned subsidiary of the Company, has successfully completed its capacity expansion by setting up a state-of-the-art, Automated Kraft paper manufacturing plant. This represents a landmark milestone in the Company's strategic growth journey and underscores the Management's commitment to investing in world-class infrastructure and technology to strengthen the Company's competitive position in the Indian paper manufacturing landscape.

The new plant has been designed with the latest manufacturing technology, ensuring higher efficiency, superior product consistency, and greater operational flexibility. Full automation across the production process minimises human error, reduces turnaround times, and significantly enhances the Company's ability to service large-volume and quality-sensitive customers across the value chain. The Management views this investment as a cornerstone asset that will underpin the Company's revenue growth and margin improvement trajectory over the medium-to-long term.



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❖ **Current and Post-Expansion Consolidated Manufacturing Capacity**

Prior to the commissioning of the new plant at Subam Papers and Boards Private Limited, the consolidated manufacturing capacity of Subam Papers Limited stood as follows:

Product Category	Existing Capacity	New Added Capacity	Total Capacity
Kraft Paper-Subam Papers Limited (standalone)	1,08,000 MTPA	—	1,08,000 MTPA
Duplex Boards- Subam Papers Limited (standalone)	48,000 MTPA	—	48,000 MTPA
Kraft Paper- Subam Papers & Boards Private Limited.	24,000 MTPA	1,27,750 MTPA	1,51,750 MTPA
Total Kraft Paper (Consolidated)	1.32,000 MTPA	1,27,750 MTPA	2,59,750 MTPA
Total Duplex Boards (Consolidated)	48,000 MTPA	—	48,000 MTPA
TOTAL CONSOLIDATED CAPACITY	1,80,000 MTPA	1,27,750 MTPA	3,07,750 MTPA

MTPA: Metric Tons Per Annum

With the successful commissioning of the new plant, the total consolidated manufacturing capacity of Subam Papers Limited has increased from 1,80,000 MTPA to 3,07,750 MTPA representing an overall capacity expansion of approximately 70.97%. The Kraft paper manufacturing capacity alone has more than doubled, growing by 96.78% from 1,32,000 MTPA to 2,59,750 MTPA. The Management views this scale-up as transformative, establishing the Company among the larger, more competitive integrated paper manufacturers in India.

Product Diversification: 80–120 GSM Paper for Paper Carry Bag Manufacturing

A defining feature of the new plant at Subam Papers and Boards Private Limited is its capability to manufacture Kraft paper in the 80 to 120 GSM (Grams per Square Metre) range. This specific GSM band is the primary raw material used in the manufacture of paper carry bags a product category that is witnessing exponential demand growth across India, driven by legislative, environmental, and consumer-led forces.

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This product capability is not merely an incremental addition to the Company's portfolio it represents a deliberate and strategically timed entry into one of the most rapidly growing segments within the Indian paper and packaging industry, as detailed below.

The Paper Carry Bag Industry in India Demand Landscape and Growth Outlook

India's paper carry bag industry is at an inflection point, driven by a convergence of regulatory mandates, environmental consciousness, rapid urbanisation, e-commerce growth, and evolving consumer preferences. The industry represents one of the most structurally supported demand stories in the broader Indian paper sector.

Market Size and Growth Trajectory

India's paper bags market was valued at approximately USD 759.7 million (approximately ₹6,300 crore) in 2024 and is projected to reach USD 1,122.6 million by 2033, growing at a compound annual growth rate (CAGR) of approximately 4.21% over the forecast period. Measured by volume, the Indian paper bags market stood at approximately 3.5 billion units in 2023 and is forecast to grow at a CAGR of 12.78% to reach 4.1 billion units by 2030. Certain industry estimates project even faster growth, with the market expected to reach USD 1,430.84 million by 2035 at a CAGR of 5.61%. The broader India paper packaging market, of which paper bags form an integral part, was valued at USD 19.07 billion in 2025 and is forecast to reach USD 46.43 billion by 2030, growing at an impressive CAGR of 19.48%.

Demand Drivers Across End-Use Sectors

The demand for paper carry bags is being driven simultaneously from multiple high-growth end-use sectors:

- **Retail and Organised Trade:** The rapid expansion of modern retail formats, shopping malls, and branded retail chains across Tier-I, Tier-II, and Tier-III cities is creating large and growing demand for premium, printable paper carry bags as both a functional and brand-communication tool.
- **E-Commerce and Quick Commerce:** India processed approximately 5.2 billion online shipments in 2024, compared to 3.8 billion in the previous year. The e-commerce and quick-commerce boom is driving demand for kraft paper-based packaging and carry bags across the fulfilment ecosystem.

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- **Food and Beverage and Food Delivery:** The rapid growth of organised food service, QSR chains, cafes, and online food delivery platforms has created substantial and recurring demand for paper bags in the 80–120 GSM range.
- **Pharmaceuticals and Healthcare:** The pharmaceutical and healthcare packaging sector is increasingly adopting paper-based carry solutions as part of sustainability and compliance commitments.
- **FMCG:** Large FMCG companies are transitioning product lines to paper packaging, signalling a sector-wide structural shift.

❖ Strategic Advantages for Shareholders

The Management believes that the completion of the capacity expansion and the strategic entry into the 80-120 GSM paper carry bag segment creates a compelling and multi-dimensional value proposition for the Company's shareholders. The key strategic advantages are detailed below:

(a) Near-Doubling of Revenue Potential

Consolidated capacity expansion from 1,80,000 MTPA to 3,07,750 MTPA (70.97% increase) directly and substantially raises the Company's revenue ceiling. As the new plant ramps to full utilisation, shareholders can expect a meaningful step-up in consolidated revenues, EBITDA, and net profit with limited incremental fixed costs, given the economies of scale embedded in the automated facility.

(b) Entry into a High-Growth, High-Margin Downstream Segment

The ability to produce 80–120 GSM paper the primary raw material for paper carry bags marks a deliberate move into a value-added, premium-priced product segment. This GSM range commands higher realisations over standard industrial Kraft grades and positions the Company to participate in a consumer-driven, sustainability-mandated upgrade cycle. The Company transitions from a commoditised paper manufacturer to a value-added paper solutions provider, targeting a segment growing at double-digit CAGRs in India.



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(c) Strong Regulatory Moat

India's progressive ban on single-use plastics creates a structural, policy-backed demand moat for Kraft paper-based packaging. Unlike cyclical industrial demand, demand for paper carry bags is increasingly mandated by law providing the Company's customers with assured offtake visibility. This regulatory tailwind supports the Company's order book stability, pricing resilience, and long-term revenue predictability.

(d) Competitive Scale Advantage

With a post-expansion Kraft paper capacity of 2,59,750 MTPA, the Company is positioned among India's larger integrated Kraft paper manufacturers. Scale delivers lower per-unit production costs, access to higher-volume long-term contracts, a stronger supplier negotiating position, and enhanced competitiveness against smaller, fragmented players collectively supporting sustainable margin expansion.

(e) Product and Customer Base Diversification

The addition of carry bag paper grades enables the Company to serve an entirely new and rapidly growing customer segment carry bag manufacturers, converters, and branded packaging companies alongside its existing industrial customer base.

(f) Automated Plant-Superior Capital Efficiency

Automation at the new plant delivers measurable financial benefits: lower per-unit labour costs, consistent product quality with minimal rejections, reduced operational risk, and the ability to scale throughput rapidly with demand.

❖ Co-generation (COGEN) Power Plant Enhancing Energy Self-Sufficiency

As part of its broader infrastructure and cost optimisation strategy company is in the process of installing a Co-generation (COGEN) Power Plant under its wholly owned subsidiary name Subam Papers and Boards Private Limited, which is expected to be commissioned by June 2026.



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At Present Energy/ Power Consumption

Present Power Consumption (Units/ Month)	Own Generation through Wind Mill and Solar Power ((Units/ Month)	Purchase from TNEB and 3 rd Parties (Units/ Month)
45 Lakhs/ month	25 Lakhs/Month	20 Lakhs

After Commissioning of COGEN Power Plant

Total Power Consumption including new Plant (Units/Month)	Own Generation through Wind Mill and Solar Power (Units/ Month)	Generation from COGEN Power Plant (Units/ Month)	Purchase from TNEB and 3 rd Parties (Units/ Month)
80 Lakhs	25 Lakhs	50 Lakhs	5 Lakhs

Strategic Significance for the Company and Shareholders

The COGEN plant is not merely a utility infrastructure addition it is a strategic lever with direct and measurable financial and operational implications:

Dramatic reduction in external power dependence

External power purchases will fall sharply from 20 Lakh Units to just 5 Lakh Units per month, a reduction of 75%. The Company's overall self-sufficiency in power will improve from 55.6% currently to 93.75% post-commissioning, significantly insulating the Company from grid tariff volatility, TNEB supply interruptions, and third-party pricing risks.

Significant cost savings

Power and fuel costs are among the largest operating cost heads in paper manufacturing, typically accounting for 12–14% of total production costs. A COGEN plant generates power from the heat recovered during the manufacturing process, making it substantially cheaper per unit than grid-purchased electricity. The reduction of 15 Lakh Units per month in external purchases at prevailing industrial tariff rates is expected to translate into meaningful savings in the Company's power cost line, with a direct and positive impact on EBITDA margins.

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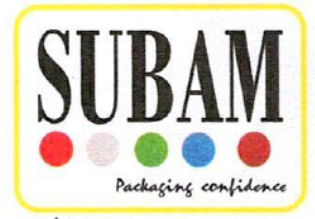
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The Management of Subam Papers Limited is deeply confident in the Company's strategic direction and the strong foundation being created through the current capacity expansion. The successful commissioning of the Automated Kraft paper manufacturing plant at Subam Papers and Boards Private Limited marks the beginning of a new and significantly larger chapter for the Company. With consolidated capacity growing to 3,07,750 MTPA, a product portfolio that is directly aligned with India's fastest-growing paper packaging segments, and a regulatory environment that structurally favours Kraft paper-based solutions, the Management believes the Company is exceptionally well-positioned to deliver sustainable and superior long-term value to its shareholders, customers, employees, and other stakeholders.

We remain committed to transparent communication with our shareholders and to executing our growth strategy with the highest standards of operational excellence, financial discipline, and corporate governance.

For Subam Papers Limited



**Managing Director
T. Balakumar
DIN: 00440500**

Place: Vaduganpatti/ Tirunelveli

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