

Andhra Paper Limited
Chairman's Speech
57th Annual General Meeting of Shareholders
August 12, 2021

Dear Shareholders,

A very warm welcome to each and every one of you. It gives me immense pleasure in welcoming you all to the 57th Annual General Meeting of your Company.

It's the second year in a row that I miss the opportunity of having my first face-to-face interaction with you, because of the COVID pandemic. However, the virtual format has enabled more shareholders to participate in the AGM from the safety of their homes. On behalf of the Andhra Paper Board of Directors, I want to thank you for making the time to join us.

The Company's Annual Report for the year ended March 31, 2021 has already been circulated to you. With your permission, I would like to take them as read.

Today, we will discuss and vote on the four resolutions that were communicated in the notice for this meeting. But before we discuss the resolutions, I will take few minutes to appraise the performance of the Company for 2020-21 and outlook.

The year 2020-21

As I reflect on the period since the last AGM, there are 5 things that stand out clearly, as far as Andhra Paper is concerned:

1. The Company bounced back quickly, adjusted to new realities, reorganised its operations, and maintained market share in writing & printing segment
2. Developed capabilities for developing new products and product/machine interchangeability
3. COVID protocols practiced were best-in-class, and by providing personal protection to our employees, dealers, and business associates, we could assure stakeholders safety
4. The Company managed cash flows exceptionally well and secured the balance sheet.
5. Employee morale was high, and filled with enthusiasm, a sense of challenge and responsibility, they displayed and continue to display resilience and a great sense of optimism.

Shaping the future

The vaccination drive across the major economies, including India, beginning last quarter of FY 2020-21 has brought in the much-needed stimulus for a sustained recovery of economic activities across the globe, and I believe that India will be amongst one of the fastest growing economies. Considering the fact that the consumer sentiments are encouraging, educational institutions & offices are scheduled to open in phased manner and the business are investing in expansions, the prospects for Andhra Paper for the rest of the fiscal year are positive.

We have successfully dealt with the crisis, and it is time for us to move forward with an aggressive growth agenda, which will entail the following:

1. **Optimise the existing production capability.** This involve investments aimed at augmenting existing paper machines capacity and pulping capacity. This will help realise the full potential of the existing capacities to support top line and bottom-line improvement.
2. **Customer base expansion;** These are aimed at improvising the quality of the products to serve the existing customers and / expanding new customer base, which includes investment in improving the machines capability and processes.
3. **Cost and efficiency improvement:** These initiatives involve investments directed towards improving efficiency of machines and processes, technology upgradation, input material substitution, process and facility integration etc, to supplement margin improvement and process rationalisation.
4. **Farm Forestry initiatives:** These initiatives aim at securing fibre source to support long term requirement for pulp production and fibre cost optimisation. The initiatives include clonal propagation, seedling distribution, sourcing within 150 Kms radius, R&D in the areas of new varieties and cropping methods etc. aimed at improving fibre supply and price normalisation.
5. **Environment Sustainability:** These initiatives involve supplementing, improving and advancing environmental compliance with respect to air, water and effluent norms
6. **New business development.** This involves efforts in developing and blueprinting foray into the growing paperboard segment.

Before I conclude, on behalf of the Board of Directors of your Company, I wish to convey earnest thanks to our valued Shareholders for their continuous support and trust in us. This motivation helps us to excel in all our pursuits and constant endeavour to create value for you. I would like to thank my colleagues on the Board for their valuable guidance and contribution in steering the Company to higher levels of achievement. Above all, I would like place on record the commendable efforts and commitments shown by our most valued resource, our employees, who have always contributed their best for the Company to set new benchmarks.

I thank you all once again for all your support and offer my best wishes for a great future.