



Emami Paper Mills Limited

**CHAIRMAN'S SPEECH
AT 38TH ANNUAL GENERAL MEETING HELD ON**

**MONDAY, THE 21ST DAY OF SEPTEMBER, 2020 AT 11.00 AM
THROUGH VIDEO CONFERENCING("VC")/OTHER AUDIO VISUAL MEANS ("OAVM")**

Dear Shareholders,

Good Morning.

It gives me immense pleasure to welcome you all at the Annual General Meeting of your Company. I trust your family and you are keeping well in the midst of unprecedented pandemic COVID-19. The Government and industries are fighting to revive and rebuild the economy in the challenging situations. Your company is also closely monitoring the global outbreak of coronavirus (COVID-19), and the Company has implemented a number of measures to protect our employees, communities and operations so the supply and movement of materials as well as the services that customers and society depend on the Company are less impacted.

Despite a challenging economy, during the financial year 2019-20, the Company recorded satisfactory performance by achieving Revenue and EBITDA of Rs.1519.14 crores and Rs.247.92 crores as against Rs.1542.03 crores and Rs.263.43 crores respectively for 2018-19. These results were driven by higher sales volume, higher sales price realization and lower input cost in H2 of the year. The production of all grade of paper & paperboard in H1 was 150,105 Mt and same was increased to 163,540 Mt in H2 of the current year even after lockdown from 24th March 2020. The Company implemented several initiatives encompassing cost management, supply chain optimization, smart procurement, long term coal linkages and productivity improvement through automation which helped in absorbing escalation in input costs, product development etc.

Your Company has maintained its leadership position in the high-end packaging board segment and continues to consolidate its preferred supplier status amongst leading end-use customers & brands. Further, your Company remains confident of fortifying its market standing in the paper & paperboard segment leveraging its superior qualities, execution excellence, investments in technology and a future ready product portfolio. Your Company is continuously focusing on improving operating efficiencies and reducing manufacturing cost for better financial performance. The flexibility to manufacture writing and printing paper and newsprint on all paper machines have improved productivity and profitability of the company remarkably.

The company developed a brand "Solitaire" for the high end writing & printing segments and has become a leading quality player and captured sizable market share in the eastern India and established its presence in other regions also.

However, presently industry is facing challenging and depressed market scenario due to huge dumping of Newsprint in the Indian Market. The Director General of Trade Remedies (DGTR) has already initiated anti-dumping investigation concerning imports of Newsprint in January 2020 which is delayed because of COVID-19. Indian Newsprint Manufacturers Association (INMA) has made several representations to Central and State Governments in this regard. Further, due to pandemic situation since March,20, both inward and outward supply chains of paper industry has been totally disrupted. Intermittent lockdown and closing down of the educational institutions, commercial establishments and downstream printers, stationery services have caused sever demand compression in first half of the current financial year.

Considering company's diversified quality product portfolio, brand image, long standing relationships and goodwill with its distributors, agents and direct consumers, suppliers and other stake holders, the business operations of the company are expected to report satisfactory financial results in the coming months with the V-shaped recovery in the economy expected by all of us.

In view of the COVID-19 and extraordinary circumstances, your Directors have not recommended any dividend for the financial year ended 31st March, 2020.

Corporate Social Responsibility in Emami is not just about the legal obligation but also about working towards improving the lives of the communities we touch. Emami has initiated & implemented a number of CSR programs for improving the life of largely under privileged people, for community living, Education, Health, Skill Development, Rural Development, Environmental Sustainability, Animal Welfare, Women Empowerment, Promotion of Sports, Art & Culture etc. in and around of Mill. Our culture enables us to pursue our mission with a growth mindset. It's a continuous practice of learning and renewal.

Education being one of the major thrust areas, Emami have been directed in five major areas namely Infrastructural support to local educational institutions, Scholarship Program, the 'Bal Vikas' Program, Free Distribution of exercise notebooks and Capacity Building through Community Teachers. The company is operating free Homeopathic, Ayurvedic camps, Allopathic mobile health units, specialized health camps and their infrastructural developments to provide healthcare facilities to the community. Emami has been instrumental in providing food and required medical care about 200 abandoned cattle in an exclusively made animal shelter.

Our Company is committed to environmental sustainability, ecological balance, protection of flora and fauna, conservation of natural resources, maintaining quality of air, water and soil. A number of CSR activities has been taken up for environment and sustainability like free seedling distribution to local villages & educational institutions, block plantation, roadside plantation and peripheral plantation.

Infrastructural Development & Community Welfare is the key enabling conditions in improving the quality of life of the communities. Emami has been instrumental towards the development of rural infrastructure like restoration and construction of Historical places, Temples & community centers; Installation of Tube wells & Street lights; Blankets, Cloths & cots distribution to orphanages, promoting Swachh Bharat Abhiyan, Promoting local sports.

Your Company's philosophy is to achieve long- term value to serve the best interest of all stakeholder-shareholders, customers, employees, Government and the society.

I wish to thank my colleagues on the Board and team of EMAMI PAPER for responding positively to an unprecedented challenge and most of all, I thank our shareholders for the confidence and faith reposed by them in the Board and the Management team, which has in my view geared up to take on more challenges. I can say with confidence the Company will improve its performance further in the coming years. This is however only possible through tireless efforts;

dedication and commitment of our team who have helped us reach where we are now and look forward to their continued commitment in the journey forward.

Thank you,

**A.V. AGARWAL
EXECUTIVE CHAIRMAN**