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1) Department of Corporate Services,
Bombay Stock Exchange Limited,
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MUMBAI :: 400 001.

2) Listing Department,
National Stock Exchange of India Ltd.
"Exchange Plaza",
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Bandra (E),
MUMBAI :: 400 051.

BSE Scrip Code No.502330

(Symbol – APPAPER; Series - EQ)

Dear Sir(s),

Please find enclosed herewith press release in connection with commencement of commercial production of Paper machine No. 6 at Unit: APPM at Rajahmundry.

Thanking you,

Yours faithfully,

For **THE ANDHRA PRADESH PAPER MILLS LTD.,**



C.PRABHAKAR

**SR.VICE PRESIDENT (CORPORATE AFFAIRS) &
COMPANY SECRETARY**

Encl: as above.

THE ANDHRA PRADESH PAPER MILLS LIMITED

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Regd. Office: Rajahmundry - 533105, East Godavari Dist., Andhra Pradesh, India

An ISO 9001 & 14001 and OHSAS 18001 Company

Andhra Pradesh Paper Mills Ltd. commences Paper Machine 6 (PM 6) commercial production at its Unit in Rajahmundry

~ The start up of PM 6 leads to increase of total pulp and paper manufacturing capacity to 250,000 metric tons per annum

~ New ECF Pulp Mill, De-Inking Plant and Rice Straw Pulp Mill, makes APPM one of the few fully integrated Pulp and Paper Manufacturers in India who are not dependant on Market Pulp

Hyderabad, 20th May 2010 – Andhra Pradesh Paper Mills Ltd (APPM), one of India's largest pulp and paper producers today successfully started commercial production from **Paper Machine 6 (PM 6)** at its Unit APPM in Rajahmundry. Currently, the Voith made machine imported from Salach, Germany has a paper production capacity of 67,000 Metric Tons per annum of UFS (Uncoated Free Sheet) and Copier Grades. However, with some modifications, the machine can be scaled up to manufacture an additional 20,000 Metric Tons per annum. With the startup of this machine, the company will now have close to **250,000 Metric Tons of Pulp and Paper manufacturing capacity.**

The start up of PM 6 marks the end of the final phase of the Mill Development Plan worth almost USD 205 million at Unit APPM. Earlier, the company had commissioned a 550 Bone Dry Metric Tons (BDMT) /day Elementary Chlorine Free (ECF) Pulp Mill of Andritz make, a 50 TPD Coal Fired Boiler and a 34 MW Turbine at the same location. With its new ECF Pulp Mill, De Inking Plant and Rice Straw Pulp Mill, APPM is among a handful of fully integrated Paper Manufacturers in India who are not dependant on Market Pulp.

Speaking on this occasion, **Mr. L.N. Bangur, Chairman, APPM** said *"This is an important development for us. It will not only help us significantly increase our paper capacity but will also enable us to run our ECF Pulp Mill at full capacity. Along with few cost and process optimization projects that provide high return on capital and short paybacks, a plan to augment our ECF Pulp Mill capacity by around 20% to around 650 BDMT/day from the current 550 BDMT/day is already underway and should be completed within FY 2010-11. We also plan to increase the quantum of sale of surplus power from the current 5 MW to 10 MW per day. We are more confident than ever to realize the true potential of the company"*.



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About APPML:

The Andhra Pradesh Paper Mills Limited (APPM), part of the Kolkata Based L.N. Bangur group, established in the year 1964, is a leading manufacturer of pulp and paper products and caters to both the domestic and foreign markets. With two manufacturing units in Andhra Pradesh and a total paper production capacity of **2,50,000 metric tons per annum**, APPM produces writing and printing and copier papers. APPM's strong quality, safety and environmental policies have ensured that it adheres to and surpasses all mandatory Indian pollution control requirements and matches the more stringent international environmental standards. With a turnover of over Rs 650 Crores, focused social and community programs backed up with its own pioneering work in raw material generation through social farm forestry and a very strong strategic growth focus, APPM is gearing up to being a driving force in the green paper manufacturing arena in the world economy. APPM sells its product under the ECF (Elemental Chlorine Free) paper brand ANDHRA.

For further information, please contact, Perfect Relations

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