



July 18, 2022

**BSE Limited,
14th Floor,
P.J. Towers, Dalal Street,
MUMBAI :: 400 001**

**National Stock Exchange of India Ltd.
"Exchange Plaza",
Bandra-Kurla Complex,
Bandra (E),
MUMBAI :: 400 051.**

(BSE Scrip Code No.502330)

(Symbol – ANDHRAPAP Series – EQ)

Dear Sirs,

Sub: Notice of 58th AGM and Annual Report 2021-22 of the Company as required under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose a copy of the Annual Report for the financial year ended March 31, 2022, including Notice of 58th Annual General Meeting, which is being circulated to the Members of the Company.

Annual Report 2021-22 including Notice of 58th Annual General Meeting is available on the website of the Company at www.andhraper.com.

You are requested to kindly take the same on record.

Thanking you,

Yours faithfully,
For **ANDHRA PAPER LIMITED**



**ARAVIND MATTA
COMPANY SECRETARY &
VICE PRESIDENT (CORPORATE AFFAIRS)**

Encl: As above.

ANDHRA PAPER LIMITED

(Corporate Identity Number: L21010AP1964PLC001008)

Regd. Office: Rajamahendravaram – 533 105, East Godavari District, Andhra Pradesh, India.

Tel: +91-883-247 1831 to 1835; Website: www.andhraper.com

An ISO 9001:2015, ISO 14001:2015, ISO 45001:2018 and

FSC® Certified Company (FSC® - C084811, FSC® - C119477 & FSC® - C112308)



PRESERVING A CHERISHED LEGACY



At Andhra Paper, we continue to make progress through a focused pursuit of excellence and steady growth. A prudent strategic framework has enabled us strengthen our operations and build on our legacy.

The year, marked by continued Covid-19 disruption, rising inflationary prices and supply-chain challenges pulled down the economic recovery. This prompted us to protect our liquidity and respond with agility. Backed by our capacities and robust operations, we remain among the most competitive paper companies in the country today. The strength in our business model and cherished legacy of our promoters, enabled us weather the challenges of volatile markets and deliver sustainable value for stakeholders at large.

Five Year Highlights

	UOM	FY22	FY21	FY20	FY19	FY18
PAPER PRODUCTION	MT	235,155	164,408	227,600	238,700	228,900
PAPER SALES	MT	240,479	175,659	213,600	238,700	230,900
OPERATING RESULTS						
Turnover	₹/Lakhs	136,692	87,949	125,722	140,950	125,982
EBITDA	₹/Lakhs	26,581	7,170	31,702	39,317	22,676
Gross Profit (PBDT)	₹/Lakhs	26,037	7,160	31,170	38,462	20,064
Depreciation & Amortisation	₹/Lakhs	7,201	7,338	7,590	6,787	6,581
Exceptional items	₹/Lakhs	-	-441	-	-543	-837
Taxation	₹/Lakhs	5,603	549	6,790	11,330	3,279
Deferred Tax	₹/Lakhs	-741	-709	-4,502	-205	1,060
Net Profit/Loss	₹/Lakhs	13,973	-460	21,292	20,008	8,306
FINANCIAL POSITION						
Gross Block	₹/Lakhs	97,510	94,291	92,672	91,436	87,697
Depreciation	₹/Lakhs	39,082	32,804	26,080	19,847	13,112
Net Block	₹/Lakhs	58,428	61,487	66,592	71,588	74,585
Paid up Capital	₹/Lakhs	3,977	3,977	3,977	3,977	3,977
Reserves & Surplus	₹/Lakhs	105,432	93,545	93,608	72,404	52,424
Networth	₹/Lakhs	109,409	97,522	97,585	76,381	56,401
Borrowings	₹/Lakhs	1,159	1,149	1,282	1,480	20,752
Capital Employed	₹/Lakhs	110,568	98,670	98,867	77,860	77,152
OTHER KEY PARAMETERS						
Earnings per share(FV ₹ 10)	₹	35.14	-1.16	53.54	50.31	20.89
Book Value per share	₹	275.10	245.21	245.37	192.06	141.82
Dividend	%	75	50	-	-	-
Dividend	₹/Lakhs	2,983	1,989	-	-	-
Debt Equity Ratio		0.01	0.01	0.01	0.02	0.37

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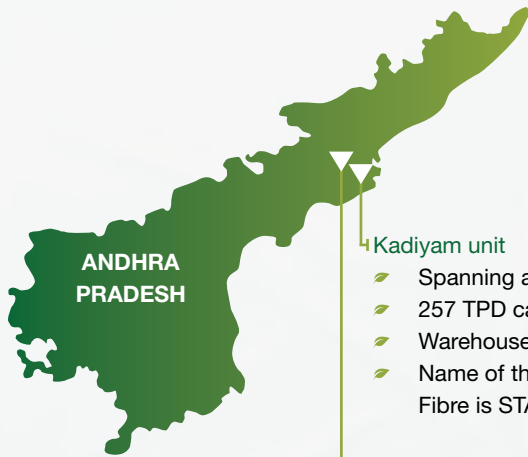
COMPANY OVERVIEW

We, Andhra Paper Limited (Andhra Paper) – one of the largest integrated paper and pulp manufacturers in India – are delivering the right products for right applications at cost effective price for more than five decades.

We manufacture writing, printing, and cut-size papers for both local and international markets, and offers a comprehensive range of high-quality speciality grade materials for a variety of uses. The papers are created with elemental chlorine free (ECF) pulp technology and come in the best-in-class brightness. We understand our responsibility towards the environment and invest in sustainable business growth and innovate products that enable us to reduce not only ours but also our customers' environmental footprints.



State-of-the-art manufacturing facilities



Kadiyam unit

- Spanning across ~150 acres of land
- 257 TPD capacity of finished products
- Warehouse with capacity of 3000 tonnes
- Name of the product manufactured using recycled Fibre is STAR WHITE

Rajahmundry Unit

- Spanning across ~300 acres of land
- 550 TPD of refining capacity
- Average 506 TPD capacity of finished products
- Warehouse with capacity of 3500 tonnes
- Product range includes Reflection Copier, Millenium Copier, Skytone, Kraft Paper, Poster Paper, Cup Stock, Wrappers, Carry bags



Vision

To become the top performing and most respected Paper Company in India



Values

- We fulfil our commitments with the highest ethical standards
- We focus on superior results to create value for our shareholders
- We are responsible towards our environment and our community



Business Objectives

- Meet our financial objectives
- Become the preferred choice of customers
- Create a great place to work



Operating Principles

- Achieve world-class productivity
- Become the low-cost producer
- Customer support excellence
- Grow in profitable segments
- Create a performance culture

BUILDING ON OUR LEGACY OF...



Innovation

By producing new and improved products and solutions



Value creation

By ensuring consistent growth in value for all stakeholders



Sustainable practises

By ensuring ecological balance



Delivering superior experience

By offering the right product at cost effective price



Community upliftment

By ensuring improved quality of lives in our areas of operations

56%

YoY growth in Revenue



271%

YoY growth in EBITDA



3138%

YoY growth in net profit



37%

YoY growth in sales volume



18.5%

YoY Reduction in specific water consumption



20%

YoY increase in Forest Management Units (FMU's)



240%

YoY increase in CSR spend



...TO DELIVER SUPERIOR PERFORMANCE IN FY22 AND BEYOND



MESSAGE FROM THE CHAIRMAN

Shree Kumar Bangur
Chairman & Managing Director

“ At Andhra Paper, we have always taken pride on our sustainability efforts which go beyond regulatory compliance, since we believe, sustainability is not just a legal responsibility but a shared responsibility we all have towards our planet. ”

Dear Shareholders,

The year 2021 has been a transition year for the world, following a year that was marred by COVID-19 and falling economies, the economies recovered. As a result, the global growth rate turned upward. As we go forward in 2022, although the road blocks are many, there is a strong likelihood that the economic recovery will continue with a GDP growth above trend.

The Indian economy has demonstrated immense resilience with its fast-paced recovery. Upholding the title of the fastest growing economy, India is continuing to contribute significantly to the global growth. Although inflationary pressures and rising crude oil prices might pose a short-term limitation on growth, the government's pro-growth budget have paved a way for a promising future for the country.

During the year under review, despite subdued macroeconomic conditions, our strong operational principles have helped us to deliver an outstanding financial performance. Our revenue from operations stood at ₹1,38,023 lakhs in FY22 as compared to ₹ 88,675 lakhs in FY21, registering a robust growth of 56%. We registered an EBITDA of ₹26,581 lakhs with a strengthened margin of 19% as against ₹7,170 lakhs with a margin of 8% in FY21. Our profit after tax for the year stood at ₹13,973 lakhs as against loss of ₹460 lakhs in the previous year.

Our stellar financial performance was on the back of a strong customer focus, cost competitiveness, optimisation of machines and operational efficiencies which increased the production, coupled with an excellent serviceability. The pandemic unlock theme is also working good for paper mills as demand for paper has gone upward after reopening of schools and other

“ Combined with committed, hard-working colleagues led by a talented and experienced leadership team, I believe we are well placed for the future. ”

educational institutions. There is also a quantum jump in the consumption of cup stock and the market has exhibited a strong growth during the year. During the year we have witnessed a volume growth of 30% in the cup stock segment.

At Andhra Paper, we have always taken pride on our sustainability efforts which go beyond regulatory compliance, since we believe, sustainability is not just a legal responsibility but a shared responsibility we all have towards our planet. We have stood on the firm foundations of sustainable business operations. Our endeavour to drive the change through sustainable manufacturing of our products and our continuing efforts to reduce the environmental implications of our operations are exemplified by the innovation driven methods we employ to do this.

Along with the planet, for us sustainability is also about our responsibility towards our people working across the entire value chain and also the communities we operate in. We

30%

volume growth in the cup stock segment.

therefore listen, act and strive to be an example in our industry. Our social initiatives are directed towards the welfare of the communities we operate in. Aligning our actions to our 'Vision 2030' sustainability goals, we are ensuring to uphold our role as a responsible paper company.

Given that most of our business is driven by trees, it is our responsibility to return the favour. To this end, we have initiated a forestry programme. While this program has helped us achieve a total reliance in the sourcing of raw material, it has also helped us improve the lives of small farmers by providing them a means of survival, and improve the socio-economic standing of their communities. Since the inception of this program until date, we are happy that we have been able to bring visible changes.

We are entering the fiscal 2022-23 with a strong balance sheet, we have the right strategy in place and a clear roadmap for the year ahead. Combined with committed, hard-working colleagues led by a talented and experienced leadership team, I believe we are well placed for the future.

In closing, I want to express my gratitude to our team members for their unwavering dedication to our mission and to our shareholders for their continued trust in Andhra Paper. We hope to keep being worthy of it in the years to come.

Warm Regards,

Shree Kumar Bangur
Chairman & Managing Director

OUR PRODUCT OFFERINGS

At Andhra Paper Limited, we focus on creating innovative, sustainable and recyclable products that enable our customers to meet their requirements and keep evolving on product development to meet the changing consumer demands. We produce a wide range of papers suiting writing, printing, photocopying and speciality applications for both the domestic and international markets.



Writing & Printing

We offer a comprehensive range of superior quality products suitable for note books, text books, journals, reference books, calendars and commercial printing usage through our distinctive brands including Primavera, Primavera White, Truprint Ivory, CCS, Truprint Ultra, Starwhite, Deluxe Maplitho (RS), Sapphire Star, Skytone and Write Choice





Copier

From economy to premium grades, we produce and supply a wide range of office documentation and multi-purpose papers that are suitable for both personal and business purposes. We manufacture superior quality, high brightness, and premium multi-purpose paper using Elemental Chlorine Free (ECF) Pulp technology. We offer our products in a spectrum of grammages under the well renowned Reflection brand.



Speciality

We offer a wide range of speciality grade paper that are tailored made to suit a specific and diverse range of applications. We promise high conversion performance, excellent finish quality, and strong visual appeal with our speciality product solutions.

Application

- Pharma Inserts
- Grocery Food Bags
- Wedding Card Invitations & Inserts
- Poster Printing
- Card Covers / Envelopes
- Other Packing Solutions
- Soap Wrapper (Outer Wrapper)
- Detergent Cake Wrapper
- Paper Cups
- Thermal Paper
- Carbonless Paper



NUMBERS THAT DEFINE US



REVENUE

(₹ in Lakhs)



EBITDA

(₹ in Lakhs)



EBITDA MARGIN

(in %)



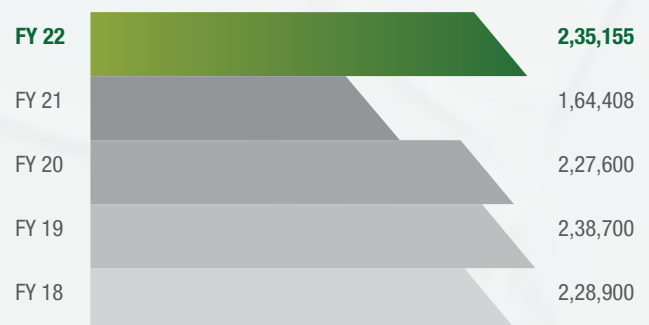
PAT

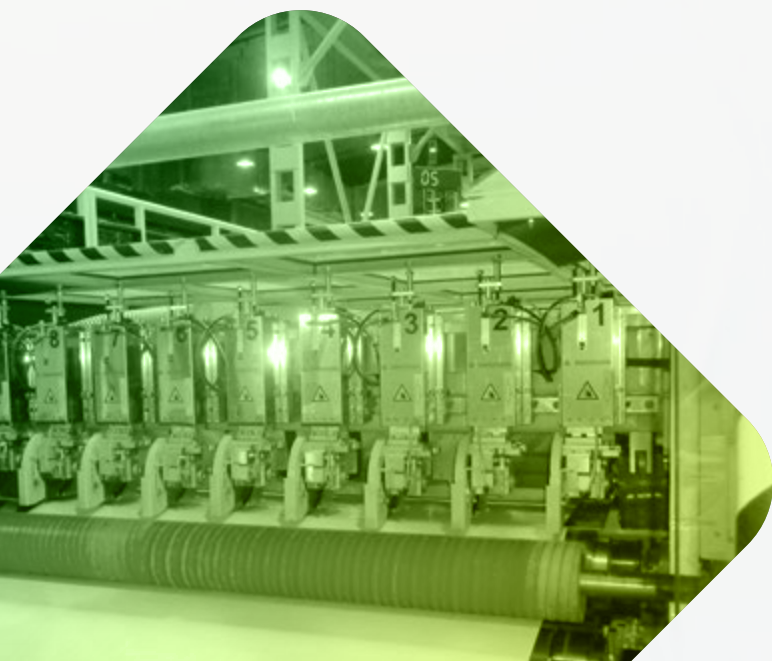
(₹ in lakh)



Production Volume

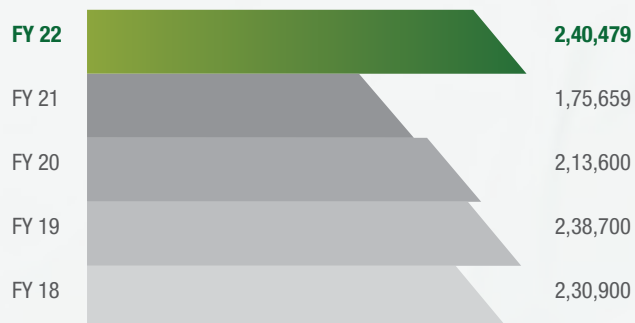
(in MT)





Sales Volume

(In MT)



EPS

(in ₹)



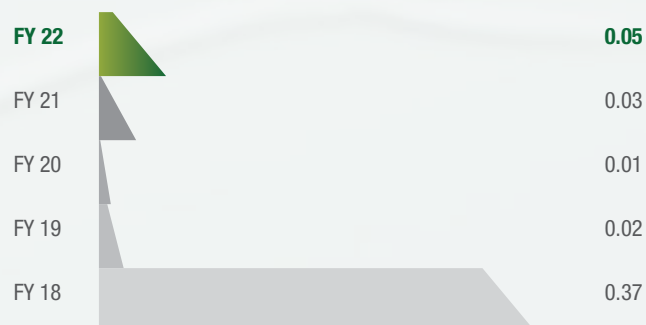
ROCE

(in %)



Debt Equity Ratio

(in times)



PEOPLE THAT HELP BUILD OUR LEGACY

Being a people-centric employer, we continuously invest towards ensuring their well-being, health and skill upgradation. Character, Capability, and Catalyst - the three C's of the APL Leadership Model - have become ingrained in our leadership style and are fully integrated into our people development tools and procedures. Individual performance and development plans, organisational appraisals, and succession planning for senior roles are all part of our rigorous personnel management systems.

To build a strong company and strong individuals, we employ a mix of strategies which include conducting interactive sessions, undertaking engagement initiatives and providing training and skill development. We value diversity and inclusiveness, which includes a wide range of backgrounds, experiences, genders, and races. We believe this enables us to bring together a team with varied background and experience, fresh perspective and better prepare us to compete and serve the diverse needs of our customers.

Health & Safety

Ensuring health and safety, physical as well as mental, of our employees remains at the core of our strategy. We have robust safety programs that are crucial for the overall safety and well-being of our employees. The viability of the safety systems is checked regularly to ensure that they are relevant for our operations. To guarantee that our current health and safety standards are met, new additions and adjustments are made to the systems on a regular basis.

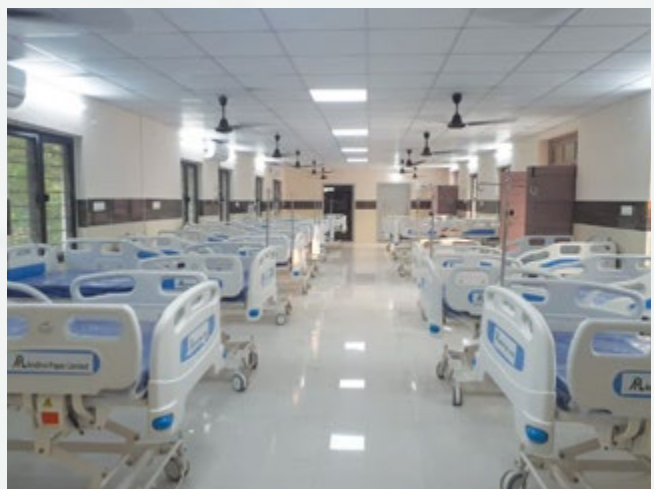


4910

Total no. of employees

~45 Years

Average age of employees





Employee engagement

- ✓ Safety Leadership
- ✓ Safe Work Observation Programmes
- ✓ Near miss reporting and Campaign
- ✓ National Safety Month Campaign
- ✓ LIFE month Campaigns
- ✓ Fire Safety Week Celebrations
- ✓ Environment Day /week campaigns
- ✓ Leadership MBWA
- ✓ Safety Sub-Committee Meetings
- ✓ Central Safety Meetings
- ✓ Job Safety Analysis and Communications
- ✓ Tool Box talks
- ✓ Create & Lead a Diverse & Inclusive Team & Environment
- ✓ 5 Minutes 5 S (Program for maintaining Work Place Clean & Safe for Working)

23730 Hours
of training on health and safety provided

3241
No. of employees received safety and skill training

Training and development

- ✓ Safety Related
- ✓ Environment Related
- ✓ Behavioural & Managerial Related
- ✓ Technical Related on existing and advance Technologies
- ✓ Systems Related
- ✓ Software skills
- ✓ Problem Solving





SUSTAINABILITY AT CORE

Our Responsible Initiatives

We, at Andhra Paper, endeavour to uplift the communities where we operate. We are always improving our programmes and looking for new ways to make a positive difference in the areas where we work. Our social development projects are mostly focused in and around the mills in Rajahmundry and Kadiyam.

Focus areas



Education



Health & Wellness



Community Engagement

Farm-Forestry Program

The Company continues to engage with leading forestry institute for capacity building of the farming community and stakeholders to promote production and distribution of high yielding clones in our catchment areas. The company's forestry program has supported many farmers to become entrepreneurs by establishing their own clonal production centres in their local areas and supporting local farmers in plantation program. The company has been promoting highly productive new generation clonal sapling production with lower rotation age to improve yield per unit area, thereby, increasing income to farmers. The company focuses on development of resource within a radius of 150 KM from the mill with a long term view to become self-reliant for its requirement of virgin fibre from within the catchment area.

Research and development

The Company is engaged in various R & D programmes for improving yield of plants per unit area, come up with next generation clones with higher yield than the existing clones, optimization of plant spacing in the plantation field and various silvicultural practices to augment income to farmers. The initial results from various R & D plantations are encouraging.



20000+
households

Number of families benefitted through CSR initiatives

40
villages and 1 town

Number of villages and towns impacted through our CSR activities

2708
kilo litres/day –
9,91,128 kilo litres

of Safe drinking water supplied to communities



CSR Vision

To make positive contributions to communities around the Company’s manufacturing facilities and farm forestry areas.

INR 437
LAKH CSR
EXPENDITURE

Support to the community by Construction of oxygen pipeline & supply of oxygen to ESI hospital, Rajahmundry and supply of beds to COVID centre at Bommuru, during devastating 2nd wave of COVID outbreak



BOARD OF DIRECTORS



Mr. Shree Kumar Bangur
Chairman & Managing Director



Mr. Arun Kumar Sureka
Independent Director



Mr. Sudarshan V. Somani
Independent Director



Mr. Virendra Sinha
Independent Director



Mr. Sitaram Sharma
Independent Director



Ms. Veni Mocherla
Independent Director



Mr. Rajendra Jain
Non-Executive Director



Mr. Virendraa Bangur
Vice Chairman



Mr. Saurabh Bangur
Joint Managing Director



Mr. Mukesh Jain
Director - Commercial &
Chief Financial Officer

SENIOR LEADERSHIP TEAM

Mr. Mukesh Jain

Director - Commercial &
Chief Financial Officer

Mr. Shyam Srivastava

Vice President (Purchase & Forestry)

Mr. Sura Reddy Mallidi

Sr. Vice President (Mill Operations)

Mr. Aravind Matta

Company Secretary &
Vice President (Corporate Affairs)

CORPORATE INFORMATION

Registered Office

Rajahmundry – 533 105
East Godavari District
Andhra Pradesh, India
Phone: +91 883 2471831 to 1835

www.andhraper.com

Works**Unit: RAJAHMUNDRY**

Rajahmundry – 533 105
East Godavari District,
Andhra Pradesh, India
Phone: + 91 883 2471831 to 1835

Unit: KADIYAM

Industrial Area,
M R Palem – 533 126
Kadiyam Mandalam,
East Godavari District,
Andhra Pradesh, India
Phone: +91 883 2454651

CIN: L21010AP1964PLC001008

Statutory Auditors

Deloitte Haskins & Sells,
Chartered Accountants,
Hyderabad

Cost Auditors

Narasimha Murthy & Co.,
Cost Accountants,
Hyderabad

Internal Auditors

KPMG, Chartered Accountants,
Hyderabad

Secretarial Auditors

D. Hanumanta Raju & Co.,
Company Secretaries,
Hyderabad

Bankers

State Bank of India
Axis Bank Limited
HDFC Bank Limited
Standard Chartered Bank

MANAGEMENT DISCUSSION & ANALYSIS



Forward looking statements

In this Annual Report, we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

Global Economy

In contrast to the drop in FY 2021, the current year has been both encouraging and difficult for the economy, with output in many countries increasing rather than declining. Vaccination rates in advanced economies and many emerging ones have reached critical levels softening the economic and health impact of COVID 19 around the world. Sustained consumer spending and moderate investment growth drove global output recovery. Goods trade has recovered and is now higher than it was before the outbreak. International trade has been up owing to the pent-up demand and high commodity prices. As a result, the global GDP grew by 5.5% highest since 1976, after contracting by 3.4% in 2020.¹ The supportive measures by various governments and Central banks aided in this growth, but global headline inflation is expected to reach 5.2% in 2021, more than 2% points higher than its 10-year average.² The war in Ukraine hastened the deceleration of global economic activity. The associated physical and logistical disruptions and the ensuing sharp rise in commodity prices are driving inflation higher and weighing on activity, exacerbating the pre-existing strains from the pandemic on the global economy.

¹ <https://www.un-ilibrary.org/content/books/9789210011839/read>

² World Economic Prospectus (January 2022)

Outlook

According to IMF economic outlook report, GDP is expected to grow at 4.4% in 2022³ due to the geopolitical issues causing higher prices and supply chain bottlenecks. But with vaccinations gaining momentum and ease of supply chain bottlenecks, the demand is bound to rise in the near future. Many central banks have also started monetary policy measures to curb inflation so as to ease and stimulate demand and cushion the slowdown. The global headline inflation rate is expected to fall to 3.8 percent in 2022 and 3.1 percent in 2023 under the baseline scenario, returning to pre-pandemic levels.

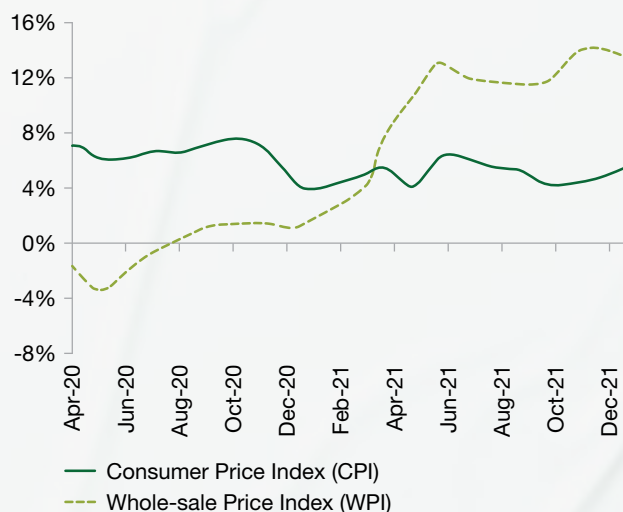
Indian Economy

The financial year 2021-22 was marked by a K shaped recovery for the economy as the second wave in April-June impacted health severely but not the economy. GDP at constant prices (2011-12), also known as real GDP, is expected to expand by 8.9% in FY 2021-22, compared to a 7.3 percent decrease in FY 2020-21. In terms of value, the real GDP for FY 2021-22 is anticipated to be INR 147.72 trillion, up from INR 135.13 trillion in the provisional GDP estimate for FY 2020-21.⁴

In 2021-22, total consumption was expected to increase by 7.0 percent,⁵ with considerable contributions from government spending. Similarly, due to increased public infrastructure spending, Gross Fixed Capital Formation surpassed pre-pandemic levels. So far in 2021-22, both goods and service exports have been extraordinarily strong, but imports have also recovered substantially, thanks to increased domestic demand and higher international commodity prices.

In 2020-21, the fiscal deficit and government debt increased as a result of the fiscal stimulus provided to the economy and the health response. However, a robust comeback in government income in 2021-22 means the government will comfortably fulfil its year-end targets while sustaining support and increasing capital investment. The significant income recovery (revenue receipts were up over 67% YoY in April-November 2021⁵) means the government has fiscal room to provide more assistance if needed. This year's global inflation was fuelled by rising energy prices, non-food commodities, input prices, global supply chain disruptions, and increasing freight costs. India's consumer price inflation declined to 5.2% in 2021-22 (April-December) from 6.6% the previous year. In December 2021, it was 5.6% (YoY), which is within the intended tolerance zone.⁵

Inflationary trends



Source: MoSPI, DPIIT

Outlook

With the vaccination programme reaching the majority of the population, the economy regaining steam, and the predicted long-term benefits of supply-side adjustments in the pipeline, the Indian economy is in great shape to expand at 8.0-8.5% in 2022-23.⁵ The government's focus has been not only on-demand stimulation but also on supply-side reforms. These supply-side changes include deregulation of various industries, process simplification, and the elimination of legacy issues such as the "retrospective tax," privatisation, and production-linked incentives among others. Even the government's substantial rise in capital spending, which provides infrastructural capacity for future growth, may be understood as a demand and supply response. Simplification of labour regulations, privatisation of underperforming assets, modernisation and integration of logistics for multimodal infrastructure connectivity to various Economic Zones., reduction

“ With the vaccination programme reaching the majority of the population, the economy regaining steam, and the predicted long-term benefits of supply-side adjustments in the pipeline, the Indian economy is in great shape to expand at 8.0-8.5% in 2022-23. ”

³ World Economic Outlook Update, January 2022: Rising Caseloads, A Disrupted Recovery, and Higher Inflation (imf.org)

⁴ <https://pib.gov.in/PressReleasePage.aspx?PRID=1801835#:~:text=Real GDP or Gross Domestic,2022.>

⁵ Indian Economic Survey 2021-22

“ With the increased focus on green packaging and successful internet sales, the industry has a wide array of opportunities to capitalise. Demand for food packaging, hygiene products like anti-bacterial tissues, and cut-size papers will increase in the near future, providing excellent growth opportunities. ”

of import duties on products, procedural reforms at central and state levels for ease of doing business, FDI reforms, development of national industrial corridors and region specific budgetary support schemes, reduction of taxes on fuels are some of the measures undertaken by the central government to improve the overall business environment. This would aid in GDP growth and help create supply chains for long term growth as well.

However, the global environment continues to be a source of concern. With the supply chain issues still persisting and newer covid variants threatening the growth, the pace of recovery of the global economies is affected by their capacities to deal with the challenges emanating from the economic fallout of the present geopolitical conflict. Capital outflows and rising import bills on account of higher prices of fuel, fertilisers and wheat will weigh on the current account balance and currency valuation. We, however, believe that India's underlying economic fundamentals are strong and despite the short-term turbulence, the impact on the long-term outlook will be marginal. The result of various government initiatives and policies and infrastructure spending will lead to accelerated economic growth.

Industry Overview

Global Paper Industry

Paper continues to play a vital part in the digital era, with this ubiquitous substance being utilised for various reasons on a daily basis all over the world. In reality, the annual worldwide output of paper and cardboard exceeds 400 million metric tonnes.⁶ Packaging paper and board are the most commonly manufactured types of paper, with demand increasing in recent years due to the online shopping boom. China and the United States are the world's two major paper producing countries. While paper production in the United States has decreased over the last decade, it has increased dramatically in China. In 2021 the Global Paper Industry grew at a CAGR of 5.8% to \$885.66 billion from \$837.46 billion in 2020.

The market is expected to reach \$1080.64 billion by 2025, with a CAGR of 5%.⁷ Despite the fact that prolonged lockdowns during COVID-19 have disrupted supply networks and pulp and paper manufacturing, demand for hygiene and personal care goods including tissue paper has grown over the world. Leading worldwide tissue manufacturers are working on addressing the ever-increasing need for tissue papers from hospitals and other healthcare facilities. The recent buzz in paper stocks was driven by a post-COVID demand surge, rising e-commerce, reopening of educational institutions and offices and an all-time high paper and pulp exports.

In developing economies such as India, China, Brazil, South-East Asian countries and others, rapid internet proliferation and e-commerce boom led by smartphone adoption and online shopping habits of younger generation fuelled the growth of packaging industry and consumers switched their preference to paper packaging as an alternate environment friendly product. This led many countries to focus more on environmentally friendly packaging so as to decrease the plastic consumption and wastage.

Paper is a critical part of the education system around the globe, and this area is one of the highly respected aspects of the paper industry. This makes it an indispensable product for the coming years.

Outlook

With a compound annual growth rate (CAGR) of 7.7%, the worldwide paper products market is predicted to rise from \$890 billion in 2021 to \$958.8 billion in 2022. At a compound annual growth rate (CAGR) of 6.5 percent, the market is estimated to reach \$1,234.22 billion by 2026.⁸ With the increased focus on green packaging and successful internet sales, the industry has a wide array of opportunities to capitalise. Demand for food packaging, hygiene products like anti-bacterial tissues, and cut-size papers will increase in the near future, providing excellent growth opportunities.

Indian Paper Industry

The Indian paper sector with only 5% of global production share and a massive gap in per capita paper consumption, the long term growth looks promising. The sector is expected to generate INR 70,000 Crores in revenue and contribute INR 5,000 Crores to the government coffers. A total of 500,000 individuals are directly employed by the sector, with another 1.5 million employed indirectly. This sector has constantly been growing with the increase in GDP and will continue to do so.

Due to limits on people's movement and the closure of physical establishments, the Indian e-commerce industry saw a considerable increase in the number of online orders. People all throughout the country are increasingly buying groceries, meals,

⁶ Global paper industry - statistics & facts | Statista

⁷ Paper Products Global Market Report 2021: COVID 19 Impact and Recovery to 2030 (reportlinker.com)

⁸ Paper Products Global Market Report 2022 (reportlinker.com)



and other everyday necessities online. As the e-commerce and retail industries are among the country's largest users of paper and paperboard solutions, such developments are projected to increase demand for sustainable packaging solutions. With vaccination reaching the majority of the people in India, schools and colleges have resumed offline classes and this would push the demand for paper & paper products like sheets, cut size paper, Writing & Printing paper etc. Also with rapid urbanisation, the rate of literacy is increasing quickly which provides a massive growth opportunity for the paper industry. This will also increase the demand for paper that Andhra Paper Limited deals in.

Key drivers of Demand

- **Education** - Increased literacy and urbanisation and the restoration of offline schools & colleges would push the demand for paper which was dipped due to online classes and exams.
- **Offices** - Offices have started offline work, which will raise demand for paper, sticky notes, and other office supplies.
- **Environment** - Focus on sustainable and eco-friendly packaging to decrease pollution and bio-waste. Many E-commerce companies have been focusing on eco-friendly packaging to reduce wastage. Going forward the ban on single use plastics provides significant opportunity in that space.

Indian Paper Industry Outlook

India's paper market has been estimated to have grown with a CAGR of 10% in value between the fiscal years of 2011-12 to 2016-17, and the market is set to reach more than INR 75,000 Crores at the end of fiscal 2022-23.⁹ For the paper industry in India, the addition of new ports, roads & railway connectivity and revision of forest policies is vital to stay relevant to the Global competition. Indian paper mills are a combination of very old technology and modern ones as well, which poses problems as the industry is fragmented. Furthermore, the increasing Indian economy, increased consumer disposable income, increased literacy rates, the expansion of the FMCG sector, growth in organised retail and other factors will boost paper use for writing, printing, journalism, packaging and other purposes. Amongst these, Paperboard and Paper for packaging are the significant drivers of demand, with stationary being a close second. The Governments move towards compulsory registration for import of major paper products to a large extent safeguards the domestic market from dumping concerns.

Paper industry in the Country has undergone a transformation of sorts in the last few years. The industry has gone up the sustainability curve and has become far more technologically advanced. In the last five to seven years, an amount of INR 25,000 Crores has been invested in new efficient capacities and induction of clean and green technologies.

⁹ India Paper Market Outlook, 2023 - Research and Markets

Opportunities

- During the projected period of 2021-2026, India's paper and paperboard industry is predicted to increase at a CAGR of 5.5 percent. The market's expansion provides an excellent opportunity to expand capacity to support segment growth, particularly in the maplitho and copier segments, to develop new product offerings to serve end-user applications, and to cut costs by scaling up production.
- From economy to premium grades, your Company's well-known cut-size papers offers a wide selection of office documentation and multipurpose sheets, appropriate for both home and business usage. The papers are manufactured with Elemental Chlorine Free (ECF) pulp technology and offer best-in-class brightness. The range is designed to work seamlessly on all sorts of photocopiers, laserjet and inkjet printers, fax machines and multi-functional devices and is ideal for high-volume photocopying and high-quality colour printing.
- Your company produces excellent writing and printing paper for both the domestic and the international markets that is of high quality and provides excellent finish to the end results.
- The high growth segment of Paperboard, especially the container board, provides significant opportunity for your Company to expand into this segment. Though your Company presence in this segment is minimal, the geographical location of your Company (Fibre source), the balance sheet strength and the group patronage offers significant business opportunity to grow in this segment.
- The W&P market growth allows good opportunity to augment existing capacity to support segment growth especially maplitho and copier, innovate new product offerings to support end-use application. The paperboard growth is a business opportunity which shall be the new growth driver for your Company. With the parent Company already having presence in the board segment, your Company would be able to leverage the experience and market knowledge to realise this market opportunity.

Threats

- The Government has suggested bringing recovered (waste and scrap) paper into the BCD for use in the manufacture of paper, paperboard, and newsprint. It will now be subject to a duty of 2.5 percent.¹⁰ This will make the already costly raw material more pricey.
- High production costs due to the scarcity and high cost of raw materials, high power costs, mill concentration in certain locations, technical obsolescence, and environmental issues are some of the reasons limiting market growth.
- The Indian paper sector is now being crushed by a lack of waste cuttings or waste paper, high costs for pulp, fibre, newsprint, container issues, such as rising freight charges, rising coal, chemicals and other inputs rates and lastly, the Russian invasion of Ukraine.

¹⁰ Indian Budget 2022

Risks and Concerns

The Company is subject to many internal and external risks. It has put in place systems and processes, along with appropriate review mechanisms to actively monitor, manage and mitigate these risks. The industry specific risks are broadly discussed below:

Risk	Risk Definition	Risk Impact (Low, Medium, High)	Risk Mitigation
Occupational Health & Safety	Occupational hazard and accidents may result in fatal injury including loss of life of our employees, workmen or contractors, apart from direct and indirect loss of production and property.	Medium/ High	The Company considers health and safety as fundamentals values and strives to develop, operate and maintain accident and injury-free workplaces for the employees. Continuous efforts are being made to comply with EHSS standards with Safety Leading indicators and appropriate training with assessment protocols.
Raw Materials	Developments in the global economies affect commodity prices and crisis such as pandemic can lead to unusual surge in input prices which can affect the business of the Company.	High	The Company's management is cognizant of the risk from unavailability of raw materials and thereby has entered into mutually beneficial partnership with the local communities to procure fresh supply of wood required in the production. Moreover, the Company took on some learnings from the pandemic wherein supply chains were disrupted across global economies. The Company has revisited the inventory stocking strategy and improved its market intelligence for efficient production planning.
General Economic Factors	Political, economic or other factors that are typically beyond the organization's control may have an adverse effect on the business. Moreover, the paper industry has a positive correlation with economic growth and thereby susceptible to such risks.	High / Medium	The Company maintains a strong vigil of the global and domestic events and strives to anticipate the effect of changes in policies thereafter, in the concerned markets, to plan for adequate mitigation.
Product substitution	An accelerated trend in enterprises adopting digital communication tools, due to the pandemic induced remote working, along with narrative for paper-less organization can severely dent the business operations. Moreover, with schools and colleges shifting towards online medium, the paper business is prone to demand contraction in the new world order post covid-19 with consequent risk to the business from these segments.	Medium	The Company recognizes the threat potential and is deliberating on strategies related to product and marketing to address the going concern in specific segments in the future.
Cyclicality of Industry	Cyclical demand for paper could have an adverse impact on sales. The reduction in sale prices will affect APL's operations. The cyclicality of the business could depress margins or growth.	Medium	Andhra Paper has continuously rationalized and strived to improve efficiencies to lower its costs, added to its scale of operations and stepped up its volume of value-enhancing products. Efforts are being made to scale up the operations and lower the fixed costs per ton of paper to protect margins.

Risk	Risk Definition	Risk Impact (Low, Medium, High)	Risk Mitigation
Foreign exchange risk	Risks associated with foreign exchange transactions particularly during imports such as trade payables, credit notes, trade receivables etc., could lead to loss of financial business if left unaddressed.	Medium	The Company has a dedicated team of professionals who consistently monitor financial markets and leverage on various hedging instruments along with their risk coverage as a mitigation strategy.
Credit Risk	The risk arises if a customer is unable to fulfill its contractual obligations of a financial transaction to which it is a party. This could lead to stress in cash flow management and loss of revenue.	Medium	The Company has put in place a mechanism wherein all financial transactions entered into by the Company is regularly monitored and updated. Necessary interventions are taken in anticipation of any event which could hurt Company business.
High competition and threat from imports	There is increased competition from manufacturers and addition to capacities by many of them will add to pressures in the market. It's a highly competitive field with several peers seeking to improve their market presence.	High	Andhra Paper has grown into one of the most competitive producers of pulp and paper, and with its product development, investment in quality and branding, the Company retains a significant competitive edge in the market. Andhra Paper has been recognized for the branding and quality of its grades and the newly introduced varieties have been received well by the market. Leadership positions in terms of product quality have been earned over the decades in some of the key segments such as cutsize and high-grade writing and printing papers.
Technology	Failure to keep pace with production technology can lower the competitive edge indigenously and globally.	High/ Medium	Efforts are ongoing to enhance its processes and optimize on resources to meet the needs of the market. The Company is committed to consistently reduce its cost of production by adopting the latest in technology while improving the quality of its end products.
Utilities	The paper industry consume significant power, fuel and water to operate. Lack of availability of any of these utilities can add to the cost sensitivities of the company.	Medium / High	<p>Andhra Paper has minimized its risk by investing in a recovery boiler, a coal fired boiler and a 34MW turbine that supplements the power drawdown from the grid. Availability and quality of coal supplies have improved. The Company salvages the residual lignin in wood in its pulping process to fire in the recovery boiler and hence uses every part of the wood. Andhra Paper has considerably reduced its need for fossil fuels and made adequate plans to protect its needs. There is adequate availability of coal as the Company has ties with producers such as Singareni Collieries and Mahanadi Coalfields Limited for uninterrupted supplies.</p> <p>Unit:Rajahmundry is adjacent to the River Godavari which has copious availability of water. Yet, the mill has invested in suitable processes to recycle water and strives to conserve the use of precious natural resource. As far as possible, the Company recycles water and, more important, minimizes wastages. Over the years, the Company has been consistently reducing energy and water costs per MT of product manufactured.</p>

Risk	Risk Definition	Risk Impact (Low, Medium, High)	Risk Mitigation
Environment Risk	The paper industry, in contrast to other manufacturing industries, consumes a large amount of energy and emits pollutants along with greenhouse gases. The waste generated from the pulp and paper industry causes severe harm to the aquatic life, disturbs the food chain, and also causes various health implications. The consequent risks to business due to noncompliance and loss of reputation can hurt future prospects for the company.	High	The Company is cognizant of the environment risks and is committed to protect the environment in which it operates. The Company has installed various waste recycling facilities within the manufacturing centre and engages with the employees and community to increase awareness. The Company also regularly monitors the emissions from the manufacturing process and deploys appropriate technology to arrest any emission of harmful gases into the atmosphere.
Human Resource Risk	The inability to secure appropriate human resources may result in restrictions to the business operations, which may affect the business performance and financial position of the company. Moreover, the occurrence of labour related compliance violations (employment issues, harassment, human rights infringements, etc.) may lead to lawsuits or impair society's trust in Andhra Paper, and affect the business performance and financial position of the company.	Low	The Company conducts measures to minimize any labour related risk such as through appropriate labour management according to laws and regulations. Our human resource department focuses on employee engagement and motivation, which further helps in achieving the strategic objectives of the organization. Our human resource practices are aimed at recruiting talented individuals, ensuring continuous development and addressing their grievances, if any, in a timely manner.

Human Capital

Your Company always acknowledge that Human Capital is the vital component in the capital intense paper industry. We have robust talent management processes that include individual performance & development plans, organization assessments and succession planning for leadership positions. We use a balance of approaches to develop our teams including engagement plans, training & skill development, career planning and health & wellness programs to build a strong organization and strong individuals. Safety of our employees is our top most priority. We are an equal opportunity Company and committed to create a healthy working environment that enables the employees to work without fear of prejudice, gender bias and sexual harassment.

The Company has taken a professional approach to industrial relations. The Company continued to treat people with dignity and respect as well as upheld important principles of labour relations.

APL has

~4910 EMPLOYEES





Business performance

Your Company has recovered and adopted at a brisk pace to the fast changing dynamics of economy in the aftermath of COVID outbreaks, thereby proving its resilience and displaying the strength of its continuously evolving Systems and Processes. With the changing market dynamics during COVID 19 first wave, the Company went in the direction of producing Value Added Products like Cupstock, Pharma Print and Kraft. This capability helped in the second wave resulting in increased sales of Cupstock (YoY 38%), High BF Virgin Kraft (YoY 1893%) and Pharma Print (YoY 110%).

Apart from developing new products, keeping industry dynamics in mind, continuous endeavour is being made to improve the existing products based on feedback from customers & channel partners to make our products suit their requirements.

It is therefore gratifying that even during these trying times the Company's performance ranked amongst the best in the paper industry. Despite the volatility in Q1 & Q2 during the partial lockdowns, online classes and WFH, the Company achieved the highest sales in a year at 2,40,479 MT (YoY 39%) with Zero Stock at the close of the year.

Though FY 2021-22 was another challenging year which was mainly affected by partial lockdowns, WFH, closure of Educational Institutions and restrictions on logistics due to Covid-19, the Company had put in its best efforts to achieve OTIF delivery rate (On- Time-In-Full) at 95%, forecast accuracy to 92.5% and improved complaint closure to ~84% which is top tier in the Indian paper industry.

Financial Performance

During FY 22, revenue from operations was Rs. 1380 Crores, registering an YoY increase of 56% compared to Rs. 887 Crores in the previous year, while EBITDA for the year under consideration stood at Rs. 266 Crores as against Rs.76 Crores in FY21. Profit after tax for the year stood at Rs.139 Crores as against loss of Rs. 4.5 Crores in the previous year. Your Company has generated free cash flow of Rs.155 Crores during the year.

Ratios

The excellent performance of your Company is reflected in the positive financial turnaround for the year, vis-à-vis, subjugated performance for FY 21 because of COVID induced restrictions. This positive impact can be seen in all the financial ratios, as given below:

Particulars	March 31, 2022	March 31, 2021	% of increase
i. Debtors Turnover	15.50	15.24	1.71
ii. Inventory Turnover	8.92	4.57	76.11
iii. Interest Coverage Ratio	39.05	(0.42)	9,397.62
iv. Current Ratio	2.39	2.21	8.14
v. Debt Equity Ratio	0.05	0.03	66.67
vi. Operating Profit Margin (%)	14.04	(0.19)	7,489.47
vii. Net Profit Margin (%)	10.12	(0.52)	2,046.15
viii. Return on Net Worth	12.77	(0.47)	2,817.02

For further information and detailed explanations on ratios, please refer note no. 53 of the Financial Statements.

Internal Financial Controls Systems and their Adequacy

The management of Andhra Paper is responsible for establishing and maintaining adequate internal controls over financial reporting. Internal controls over financial reporting is the process designed under the supervision of, our Chairman & Managing Director, Joint Managing Director and Chief Financial Officer, and effected by our Board of Directors, Audit Committee, Management and other personnel to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes.

All internal control systems have inherent limitations, including the possibility of circumvention and overriding of controls, and therefore can provide only reasonable assurance of achieving the designed control objectives. The Company's internal control system is supported by written policies and procedures, contains self-monitoring mechanisms, and is audited by Independent Auditors. Appropriate actions are taken by Management to correct deficiencies as they are identified. The Company has a process in place to continuously monitor the processes and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the Company's operations. The Company takes full support of Internal Auditors, an external & independent Audit Firm, in this continuous process.

The Company performed an evaluation and made an assessment of the adequacy and effectiveness of the Company's internal financial controls as at March 31, 2022. Based on this assessment, the Management believes that, as of March 31, 2022, the Company's internal controls over financial reporting was effective and our Statutory Auditors have expressed an unmodified opinion

on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting as per their report.

The internal control environment includes an enterprise-wide attitude of integrity and control consciousness that establishes a positive 'tone at the top'. This is exemplified by our ethics program that includes long-standing principles and policies on ethical business conduct that require employees to maintain the highest ethical and legal standards in the conduct of Andhra Paper business, which have been distributed to all employees.

The internal control system further includes careful selection and training of supervisory and management personnel, appropriate delegation of authority and division of responsibility, dissemination of accounting and business policies throughout the Company, and an extensive program of internal audits with management follow-up.

The Board of Directors, assisted by the Audit Committee, monitors the integrity of the Company's financial statements and financial reporting procedures, the performance of the Company's internal audit function and independent auditors, and other matters set forth in its charter. The Committee, which consists of independent directors, meets regularly with representatives of management, with the independent auditors and the Internal Auditors, with and without management representatives in attendance, to review their activities.

The Committee has reviewed and discussed with the Management and the independent auditors, the financial statements for the year ended March 31, 2022, including internal control systems, critical accounting policies and significant Management judgments.

BOARD'S REPORT

Dear Members,

The Board of Directors has the pleasure in presenting its 58th Report along with the Audited Financial Statements for the year ended March 31, 2022.

Performance Review

The performance of the Company for the financial year under consideration has witnessed significant improvement throughout the financial year. These results were driven by higher sales volume and higher sales price realization. Improved productivity from our mills helped to generate more volumes. The Company continued to focus on important initiatives for improving safety and environmental compliance as well as improving the customer experience and operational efficiencies.

Summary of Financial Results

Particulars	(₹ in crores)	
	For the year ended March 31, 2022	For the year ended March 31, 2021
Revenue from Operations	1,380.23	886.75
Earnings before interest, depreciation and taxation (EBITDA)	265.81	76.11
Finance costs	5.45	4.51
Depreciation	72.01	73.38
Profit / (Loss) before exceptional items	188.35	(1.79)
Exceptional items	-	(4.41)
Profit / (Loss) before tax	188.35	(6.20)
Tax expense	48.62	(1.60)
Profit / (Loss) for the year	139.73	(4.60)

There was no change in the nature of business during the year.

Dividend

The Board of Directors at their Meeting held on May 5, 2022 recommended a dividend of Rs. 7.50 per equity share of Rs.10/- each, for approval of the Shareholders at the forthcoming Annual General Meeting, and is in compliance with the Dividend Distribution Policy of the Company. The said Policy is disclosed on the Company's website: www.andhrpaper.com.

Markets, Customers and Commercial Excellence

The Company continues to believe in **"Customer First"** and its endeavour to create more **value for Customers**.

The Company's products are predominantly used for printing, publishing and converting for the W&P segment. However, with changing environment due to COVID 19 first wave the Company went in the direction to produce Value Added Products like Cupstock, Pharma Print and Kraft. This capability helped in the second wave resulting in increased sales of Cupstock (YoY 38%), High BF Virgin Kraft (YoY 1893%) and Pharma Print (YoY 110%).

Apart from developing new products, keeping industry dynamics in mind, continuous endeavour is being made to improve the existing products based on feedback from customers & channel partners to make our products suit their requirements.

The Company overcame the challenging situation in Q1 & Q2 by leveraging the existing Export Network and existing Product Portfolio to balance the supply position into Exports resulting in increased sales of 177% YOY.

With focus on meeting the changing work environment from WFH to Offices in the later part of the year, the copier products were given thrust resulting in YoY growth of 37%.

It is therefore gratifying that even during these trying times the Company's performance ranked amongst the best in the paper industry. Despite the volatility in Q1 & Q2 during the partial lockdowns, online classes and WFH, the Company achieved the highest sales in a year at 2,40,479 Tons (YoY 39%) with Zero Stock at the close of the year.

Though FY 2021–22 was another challenging year which was mainly affected by partial lockdowns, WFH, closure of Educational Institutions and restrictions on logistics due to Covid-19, the Company had put in its best efforts to achieve OTIF delivery rate (On- Time-In-Full) at 95%, forecast accuracy to 92.5% and improved complaint closure to ~84% which is top tier in the Indian paper industry.

The Company's concept of **"Think Customer"** continues to yield desired results to enhance customer value by way of offering **'right products for right applications'** at an increased speed to address customer needs & grievances.

FY 2022 Highlights:

- Highest Sales of 2,40,479 Tons
- Increased Export Sales by 177%, one of the best in the Paper Industry
- Significant growth in VAP segment like Cup Stock (38%), Pharma Print (110%) & HBF Kraft (1893%)
- OTIF Score – 95%, one of the best in the Paper Industry

Raw Material Security

The Company believes that the long-term sustainability for supply of virgin fibre depends on farm-forestry program and ensuring farmer's willingness to continue plantation of virgin fibre by improving yield of crops per unit area. The Company believes that improving yield, besides ensuring right price of the produce, is the only way by which farmer's income can be increased. Therefore, the Company remains focused on continuous Research & Development (R&D) program for production of high yielding quality clones for increasing productivity of land. The Company remains committed in collaborating with likeminded premium institutes e.g. Institute of Forest Genetics & Tree Breeding, Coimbatore (IFGTB) to ensure right approach for capacity building of stakeholders, sharing of best practices and execution of R&D program for enhancing productivity of farmer's land.

The Company remains committed in capacity building of local community in the journey envisaged for long-term sustainability for supply of virgin fibre through farm-forestry program. With this vision, the Company has embarked on a journey of developing partner nurseries in respective areas within a radius of 150 KM from the Mills to cater to the requirement of clones of farming community to increase plantation in the catchment area for sustainable supply of virgin fibre. The Company had partnered with 19 Clonal Production Centres (CPC) during the year for production and distribution of high yielding Casuarina clones. The Company continues to reach out to farmers, create awareness on the price offered and ensuring that farmers get maximum benefit in the supply chain of Virgin Fibre.

The Company has facilitated distribution of 563 lakhs of Casuarina clones and seedlings combined, covering 6,327 hectares of land and generated 31.6 lakhs man-days of employment to the farmers under the farm-forestry program within the catchment area.

Employee Development and Engagement

The Company's agenda for engaging and developing its employees includes initiatives to attract, develop and retain talent. The key focus areas include diversity and inclusion, succession planning, developing a talent pool for critical positions, quality of life programs and leadership development.

The Company has taken a professional approach to industrial relations. The Company continued to treat people with dignity and respect as well as upheld important principles of labour relations.

Leveraging the power of Information Technology

During the year under review, the Company achieved lot of IT effectiveness in business areas and enhanced the technological use in organisation.

Over the year 2021-22 there has been significant improvement in the IT Division's innovation, improvements of applications, delivery of user's service, project management and the overall contribution to the organisation's mission and goals.

Enhancement of the performance of SAP S/4 HANA as it relates to complex and time driven business activities such as real-time planning, execution, reporting and analytics based on live data, as well as prompt period closing and improved forecasting including **SAP Analytics on Cloud (SAC)** for insights and decision making and proliferation of visualisation tools like Power BI across the function.

The following projects were implemented during the year and successfully rolled out:

- SAP Treasury and Risk Management applications;
- SAP GRC (Governance Risk Compliance) application in identifying and managing risks in a proper manner.
- SAC (SAP Analytic Cloud)
- Developed in-house REEL WRAPING integration system with SAP
- Alternate printing solution against HP Managed printing service
- Implemented in- house grievance system for cost optimisation of Cloud GRIVANCE SYSTEM and successfully rolled out.

Outsourced Share Point portal service

- CYBERSECURITY implemented by CISCO umbrella, AMP, endpoint security with dual factor e-mail security system
- SharePoint
- Kronos - Contractor Management System (CMS) to provide a single window experience for HR

- Zoom video collaboration system with added benefit of reducing the costs, time and network bandwidth

Community Service and Engagement

The Company is committed to the cause of communities where it operates, by supporting Education, Health & Wellness and other genuine requirements of the people therein.

The Company considers the community as its key stakeholder and is one of the foremost proponents of inclusive growth and has continued to undertake projects for overall development and welfare of the society in the fields of health, education, rural development and livelihood interventions etc., and is sensitive to its needs. The Company also extended co-operation and assisted the local administration in taking various preventive and safety measures.

The Company had adopted a CSR Policy which is placed on the Company's website: www.andhrpaper.com. The Members of Corporate Social Responsibility Committee as on March 31, 2022 comprised of:

Mr. Virendraa Bangur	– Chairman
Mr. Saurabh Bangur	– Member
Mr. Sudarshan V. Somani	– Member
Mr. Rajendra Jain	– Member

The Annual Report on CSR activities is attached as Annexure – 1 to this report.

Awards

During the year, the Company was awarded “Best Safety Performer for the year 2021” by Confederation of Indian Industry for Unit: Kadiyam.

Related Party Transactions

All related party transactions that were entered into during the financial year under review were at arm's-length basis and also in the ordinary course of business. There were no material significant related party transactions entered into by the Company with the Promoters, Directors, Key Managerial Personnel which may have a potential conflict with the interests of the Company at large.

The Board of Directors approved a Policy on Related Party Transactions which is placed on the Company's website www.andhrpaper.com. The disclosures on related party transactions are given in Notes to the financial statements.

Remuneration Policy

The Company has adopted the Nomination and Remuneration Committee Charter which contains, inter alia, framework for Directors' appointment and remuneration, criteria for determining

the qualifications, positive attributes, independence of a director and other matters provided under Section 178(3) of the Companies Act, 2013 (“The Act”).

Pursuant to Section 178(4) of the Act, the Company also adopted Remuneration Policy relating to remuneration for the Directors, Key Managerial Personnel and Senior Executives in the rank of Vice President and above. The Remuneration Policy is placed on Company's website www.andhrpaper.com.

Energy Conservation, Technology Absorption & Foreign Exchange earnings and outgo

Particulars of conservation of energy, technology absorption and foreign exchange earnings and outgo as required under Section 134(3)(m) of the Act read with Rule 8(3) of the Companies (Accounts) Rules, 2014 are given in Annexure - 2 attached to this Report.

Risk Management

The Company has a robust business risk management framework to identify and evaluate business risks and opportunities. This framework aims to create transparency, minimize adverse impact of risks on the business objectives and enhance the Company's competitive advantage. Some of the critical risks that have been identified are Fibre Procurement, Competition risk, Occupational Health & Safety, etc.

Directors

a. During the year under review, Mr. Mukesh Jain has been appointed as a Whole-time Director designated as Director - Commercial & Key Managerial Personnel effective November 10, 2021 in place of Mr. Anish T. Mathew who resigned as a Director of the Company effective November 09, 2021.

b. Independent Directors

All Independent Directors have given declarations that they meet the criteria of independence as laid down under Section 149 (6) of the Act and Regulations 16(1)(b) and 25(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the SEBI Listing Regulations”) and that they are independent from the Management of the Company and they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence. Further, all the Independent Directors have given declarations that they complied with the provisions of Companies (Appointment and Qualifications of Directors) Rules, 2014. Further they have given declarations that they have complied with the Code for Independent Directors prescribed in Schedule IV to the Act and the Code of Business Conduct and Ethics of the Company.

A separate Meeting of Independent Directors was held on January 19, 2022. All the Independent Directors of the Company attended the said Meeting.

Mr. Praveen P. Kadle and Mr. Adhiraj Sarin, Independent Directors, completed their second term on March 31, 2022 and the Company filled the vacancies by appointing Mr. Virendra Sinha and Mr. Sitaram Sharma as Independent Directors of the Company for a period of 3 years effective April 1, 2022.

c. Non-Executive Directors

Mr. Virendraa Bangur, Director, is liable to retire by rotation at the ensuing Annual General Meeting, as per the provisions of the Companies Act, 2013 and being eligible, offered himself for reappointment.

d. Details of Key Managerial Personnel

As on March 31, 2022, Mr. Shree Kumar Bangur, Chairman & Managing Director, Mr. Saurabh Bangur, Joint Managing Director, Mr. Mukesh Jain, Director - Commercial and Mr. Aravind Matta, Company Secretary & Vice President (Corporate Affairs) are the Key Managerial Personnel of the Company.

The Board at the Meeting held on May 5, 2022 has appointed Mr. Mukesh Jain as Chief Financial Officer effective May 5, 2022 and re-designated him as Director - Commercial & Chief Financial Officer.

e. Meetings of the Board

During the year under review, four Board meetings and four Audit Committee meetings were held. The maximum interval between any two meetings did not exceed 120 days, as prescribed by the Companies Act, 2013. The details of the meetings held are given in the Corporate Governance Report forming part of this Report.

f. Performance Evaluation

Pursuant to the provisions of the Act and SEBI Listing Regulations, the Annual performance evaluation of Board, its Committees, Chairman & Managing Director, Joint Managing Director and Director – Commercial has been carried out based on various parameters.

A separate exercise for the financial year 2021-22 was carried out to evaluate the performance of all individual directors including Independent Directors who were evaluated on parameters such as level of engagement and contribution, independence of judgment, safeguarding the interests of the Company and its minority shareholders etc.

g. Board Training and Induction

At the time of appointing a Director, a formal letter of appointment is given to him/her, which *inter alia* explains the role, function, duties and responsibilities expected of him/her as a Director

of the Company. The Director is also explained in detail the compliances required from him/her under the Act, the SEBI Listing Regulations and other relevant Laws and Regulations. Details of Familiarization of Directors are disclosed on the Company's website www.andhraper.com.

h. Audit Committee

During the year, the Audit Committee has been reconstituted by replacing Mr. Shree Kumar Bangur with Mr. Saurabh Bangur as a Member of the Committee.

The Audit Committee as on March 31, 2022 comprised of Mr. Praveen P. Kadle as Chairman and Messrs Adhiraj Sarin, Arun Kumar Sureka and Saurabh Bangur as other Members. All the recommendations made by the Audit Committee were accepted by the Board.

Particulars of Employees

The information required pursuant to Section 197 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, is provided in Annexure-3. Having regard to the provisions of the second proviso to Section 136(1) of the Act, the Annual Report excluding the aforesaid information is being sent to the members of the Company. If any Member is interested in obtaining information on Rule 5 (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, such Member may, write to the Company Secretary at the Registered Office in this regard or can inspect the related documents/information at the Registered Office of the Company.

Vigil/Whistle Mechanism

The Company has adopted Whistle Blower Policy to deal with instance of fraud or any unethical or improper practices. A copy of this Policy is placed on the Company's website www.andhraper.com.

Internal Financial Controls

The Company established internal financial control(s) commensurate with the size, scale and complexity of the operations. Internal audit function is being handled by a professional firm of chartered accountants. The main function of Internal Audit is to monitor and evaluate adequacy of internal control system in the Company, its compliance with the operating systems, accounting procedures and policies at all locations of the Company. Based on the report of internal audit function, process owners take corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions are reported to the Audit Committee.

Statutory Auditors audited the Internal Financial Controls (IFC) over financial reporting of the Company as of March 31, 2022 in conjunction with audit of the financial statements of the Company for the year ended on that date. Unmodified opinion on IFC was given by them.

Statutory Auditors

The Report of Auditors for the fiscal year 2022 does not have any qualifications, reservations or adverse remarks. The Report is enclosed with the financial statements in this Annual Report.

The Members of the Company at the 55th Annual General Meeting held on August 1, 2019 re-appointed Messrs Deloitte Haskins & Sells, Chartered Accountants, Statutory Auditors of the Company for a second term of three years to hold office from the conclusion of 55th Annual General Meeting till the conclusion of the ensuing 58th Annual General Meeting.

Messrs Deloitte Haskins & Sells, Chartered Accountants, Statutory Auditors of the Company are completing their second term at the ensuing AGM and are not eligible for re-appointment. The Board at its Meeting held on May 5, 2022 considered the recommendation of Audit Committee and recommended to the Members, the appointment of Messrs MSKA & Associates, Chartered Accountants, as Statutory Auditors of the Company in place of retiring auditors, for a term of five years, to hold office from the conclusion of 58th Annual General Meeting till the conclusion of 63rd Annual General Meeting corresponding to the financial years from 2022-23 to 2026-27.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed Messrs D. Hanumanta Raju & Co., a firm of Company Secretaries to undertake the secretarial audit of the Company for the financial year 2021-22. Secretarial Audit Report under Section 204(1) of the Act issued by Messrs D. Hanumanta Raju & Co., Practising Company Secretaries, in respect of financial year 2021-22 is attached as Annexure - 4 to this Report.

The Report of Secretarial Auditors does not have any qualifications, reservations or adverse remarks.

Cost Auditors

In terms of Section 148 of the Act read with the Companies (Audit & Auditors) Rules, 2014, the Board at their Meeting held on May 5, 2022, on the recommendation of Audit Committee, appointed M/s. Narasimha Murthy & Co., Cost Accountants as Cost Auditors of the Company for the financial year 2022-23, at a remuneration of Rs.4.00 lakhs (excluding applicable taxes) plus reimbursement of out-of-pocket expenses and their remuneration is being submitted for ratification by the Members at the forthcoming Annual General Meeting.

Cost Accounting Records and Cost Audit

Cost accounting records for the financial year under review were maintained as per the Companies (Cost Records and Audit) Rules, 2014. M/s. Narasimha Murthy & Co., Cost Accountants were

appointed as Cost Auditors of the Company to audit the Cost Records for the year ended March 31, 2021. The Cost Audit Report for the financial year ended March 31, 2021 was filed with the Ministry of Corporate Affairs in August, 2021.

The Cost Audit Report for the year ended March 31, 2022 will be filed within the due date.

Public Deposits

The Company has not accepted any deposits from public and as such, no amount on account of principal or interest on deposits from public was outstanding as on the date of the balance sheet.

Particulars of loans, guarantees, security or investments

The particulars of loans, guarantees, securities and investments covered under the provisions of Section 186 of the Act have been disclosed in the financial statements.

Subsidiary Company

The Company made an investment of Rs.5.00 lakhs by way of share capital in Andhra Paper Foundation ("Foundation"), incorporated under Section 25 of the Companies Act, 1956, wherein the excess of income over expenditure will be applied for promoting its objectives. Accordingly, the accounts of Andhra Paper Foundation were not consolidated, since the holding Company will not derive any economic benefit from its investment in Foundation.

The Company undertakes that annual accounts of Foundation and the related information will be made available to the members of holding company seeking such information at any point of time. The annual accounts of Foundation are placed on the Company's website www.andhraper.com and are also available for inspection by any member at the Registered Office of the Company during business hours on all working days of the Company. A statement containing salient features of the financial statement of Foundation for the financial year ended March 31, 2022 is attached as Annexure - 5 to this Report.

Annual Return

In terms of Section 92(3) of the Act, the Annual Return for the financial year ended March 31, 2022 is displayed on the website of the Company <https://www.andhraper.com/index.html>.

Business Responsibility Report ('BRR')

Pursuant to Regulation 34 of the SEBI Listing Regulations, 'Business Responsibility Report' forms part of this Report as Annexure - 6, which describes the initiatives taken by the Company from an environmental, social and governance perspective.

Material changes and commitments affecting the financial position of the Company which occurred between end of financial year and date of the Report

There were no material changes and commitments affecting the financial position of the Company which occurred between end of financial year and date of the Report.

Directors' Responsibility Statement

The Board of Directors hereby confirms and declares that:

- in the preparation of final accounts for the year ended March 31, 2022 the applicable accounting standards had been followed;
- they had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the financial year end March 31, 2022 and of the profit and loss of the Company for the year;
- they had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- they had prepared the accounts for the year ended March 31, 2022 on a 'going concern' basis;
- they had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- they had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

General

- During the year under review, the Chairman & Managing Director of the Company has not received any remuneration or commission from the subsidiary company.
- There were no significant material orders passed by the regulators or courts or tribunals which would impact the going concern status of the Company and its future operations.

- During the year under review, neither the statutory auditors nor the secretarial auditor has reported to the audit committee, under Section 143 (12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees.
- The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment. All women employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year, no complaints were received by the Company under Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- The Company has complied with all the applicable laws, rules, regulations and Secretarial Standards.
- All Policies as required under the Act or the SEBI Listing Regulations are available on the website of the Company www.andhraper.com.

Acknowledgements

The Board of Directors wish to place on record their gratitude to the Central Government, Government of Andhra Pradesh, Government of Telangana and Banks for their continued support during the year.

The Board of Directors wish to convey their thanks to the valued customers and dealers for their continued patronage and place on record their appreciation of the contribution made by all the employees during the year under review.

For and on behalf of the Board

Place: Rajahmundry
Date: June 22, 2022

Shree Kumar Bangur
Chairman & Managing Director

ANNEXURE - 1

ANNUAL REPORT ON CSR ACTIVITIES FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

(All the figures in this CSR Annual Report are rounded off to Rs.lakhs)

1. Brief outline on CSR Policy of the Company

CSR vision of the Company is to support, enhance and respect the communities and stakeholders wherever the Company operates its businesses. The focus areas of Company's CSR activities are Education, Health & Wellness and Community Engagement, which make positive contributions to communities around the Company's manufacturing facilities and farm forestry areas. The Company is continually refining its programs and seeking opportunities to make difference in the communities where they live and operate.

2. Composition of CSR Committee as on March 31, 2022

Sl. No.	Name of Director	Nature of Directorship	Designation (Committee)	Number of Meetings of CSR Committee held during the year	Number of Meetings of CSR Committee attended during the year
1	Mr. Virendraa Bangur	Non-Executive Non-Independent Director	Chairman	1	1
2	Mr. Shree Kumar Bangur [^]	Chairman & Managing Director	Member	1	1
3	Mr. Saurabh Bangur*	Joint Managing Director	Member	NA	NA
4	Mr. Sudarshan V. Somani	Non-Executive Independent Director	Member	1	1
5	Mr. Rajendra Jain	Non-Executive Non-Independent Director	Member	1	1

[^]During the year under review, the Meeting of CSR Committee was held on May 11, 2021 and ceased to be a Member effective May 12, 2021

*The Committee was reconstituted effective May 12, 2021 and was appointed as a Member

- The web-link where Composition of CSR Committee, CSR Policy and CSR Projects approved by the board are disclosed on the website of the Company: <https://www.andhraper.com/investors-csr-information.html>.
- The details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of Rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable: **Not Applicable**
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social Responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **Rs. 5 lakhs**
- Average net profit of the Company as per section 135(5): **Rs.18,346.44 lakhs**
- (a) Two percent of average net profit of the company as per section 135(5): **Rs.367 lakhs**
(b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Nil**
(c) Amount available to be set-off for the financial year, if any: **Rs.5 lakhs (however the amount has not been set-off during the financial year)**
(d) Total CSR obligation for the financial year (7a+7b- 7c): **Rs.367 lakhs**
- (a) CSR amount spent or unspent for the financial year:

(in Rs.lakh)

Total Amount Spent for the Financial Year	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
202.00	165.00	28.04.2022		Not Applicable	

(b) Details of CSR amount spent against ongoing projects for the financial year:

(in Rs.lakh)

Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes / No)	Location of the project		Project duration (approved time line for completion)	Amount allocated for the project	Amount spent in the current financial Year	Amount transferred to Unspent CSR Account for the project as per Section 135(6)	Mode of Implementation - Direct (Yes / No)	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number
1	Construction of water supply pipeline at Kadiyam	Item No. (i) Safe drinking water	Yes	Andhra Pradesh	East Godavari	30/09/2022	116.93	5.93	111.00	Yes	NA	NA
2	Construction of Skill Development centre at Jegurupadu, Kadiyam	Item No. (ii) employment enhancing vocation skills	Yes	Andhra Pradesh	East Godavari	30/09/2022	55.00	1.00	54.00	Yes	N.A	N.A
Total								6.93	165.00			

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

(In Rs. lakh)

Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act	Local area (Yes/ No)	Location of the project		Amount spent for the project	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing Agency	
				State	District			Name	CSR Regn. Number
1	Construction of oxygen pipeline to ESI hospital, Rajahmundry, and supply of oxygen -during COVID outbreak	Item (i) - Health & Wellness	Yes	Andhra Pradesh	East Godavari	35.98	Yes	N.A.	N.A.
2	Supply of beds to COVID care centre, Rajahmundry	Item (i) - Health & Wellness	Yes	Andhra Pradesh	East Godavari	12.40	Yes	N.A.	N.A.
3	Construction of water pipeline to Kotilingalapeta	Item (i) - Safe drinking water	Yes	Andhra Pradesh	East Godavari	9.21	Yes	N.A.	N.A.
4	AMC's & repairs for SDW Plants, (~63 existing plants set up by the Company)	Item (i) - Safe drinking water	Yes	Andhra Pradesh	East Godavari	7.06	Yes	N.A.	N.A.
5	Supply of treated water to Mill surrounding areas, Rajahmundry	Item (i) - Safe drinking water	Yes	Andhra Pradesh	East Godavari	19.85	Yes	N.A.	N.A.
6	Ambulance to Knognat Foundation	Item (i) - Health & Wellness	No	West Bengal		7.40	Yes	N.A.	N.A.
7	Construction of Public Health Centre at MR Palem, Kadiyam	Item (i) - Health & Wellness	Yes	Andhra Pradesh	East Godavari	26.27	Yes	N.A.	N.A.
8	Scholarship to meritorious students	Item (ii) -Education	Yes	Andhra Pradesh	East Godavari	9.00	Yes	N.A.	N.A.
9	School Infrastructure support to APPM Model School	Item (ii) Education	Yes	Andhra Pradesh	East Godavari	9.59	Yes	N.A.	N.A.
10	Computer lab and other infrastructure to ITI, Kakinada	Item (ii) Education	Yes	Andhra Pradesh	East Godavari	47.00	Yes	N.A.	N.A.
11	Running tailoring Centres at Mallayapeta & Kadiyam	Item (iii) - Promoting gender equality, empowering women	Yes	Andhra Pradesh	East Godavari	1.68	Yes	N.A.	N.A.
Total						185.44			

- (d) Amount spent in Administrative Overheads : **Rs.9.63 lakhs**
- (e) Amount spent on Impact Assessment, if applicable : **Nil**
- (f) Total amount spent for the Financial Year (8b+8c+8d+8e): **Rs.367.00 lakhs**
- (g) Excess amount for set off, if any

(in Rs. lakh)

Sl. No.	Particular	Amount
(i)	Two percent of average net profit of the Company as per section 135(5)	367.00
(ii)	Total amount spent for the Financial Year	367.00
(iii)	Excess amount spent for the financial year [(ii)-(i)]	NIL
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	NIL
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	NIL

- 9 (a) Details of Unspent CSR amount for the preceding three financial years: **Rs.129 lakhs for 2019-20**

- (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(in Rs.lakh)

Sl. No.	Name of the Project	Ongoing Projects of 2020-21					Status of the project Completed/ ongoing
		Financial year in which the project was commenced	Project duration	Total amount allocated for the Project	Amount spent on the project in the reporting financial year	Cumulative amount spent at the end of the reporting financial year	
1	Construction of Emergency Medicine Floor & installation of equipment at District Hospital, RJY	2021	March 31, 2022	150.00	150.00	150.00	Completed
2	Laundry Machine and equipment to ESI hospital, RJY	2021	September 30, 2021	14.40	14.40	14.40	Completed
3	Infrastructure and other support to APPM Model School, RJY	2021	March 31, 2022	70.60	70.60	70.60	Completed
Total				235.00	235.00	235.00	

- 10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year – **Nil/Not Applicable**

- 11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not applicable**

Place: Rajahmundry
Date: June 22, 2022

Shree Kumar Bangur
Chairman & Managing Director

Virendraa Bangur
Chairman – CSR Committee

ANNEXURE - 2

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

[Section 134(3)(m) of The Companies Act, 2013 read with Rule 8(3) of The Companies (Accounts) Rules, 2014]

(A) Conservation of energy-

I. The steps taken or impact on conservation of energy:

At Unit: Rajahmundry -

- VFD for Causticizing No 8 Tank Pump
- VFD for Caustizing Slaker Feed Pump
- VFD Panel for Turpulanka Effluent Pump at ETP

At Unit: Kadiyam -

- Replacement of Old Series Inefficient Motors
- Replacement of Inefficient Pumps at KA3 (Phase1)
- Wet lap pulper impeller dia change and running with VFD
- Turbine Frequency reduced from 50 Hz to 49.1 Hz.
- Double Doctor for KA#3 suction press to reduce steam consumption
- Dyno drives replaced with VFD in Power Block

II. The steps taken by the company for utilising alternate sources of energy: Kadiyam

- Energy Efficient Foot Print TG to reduce 1.0 MW load on Grid.

III. The capital investment on energy conservation equipment's:

At Unit: Rajahmundry –

- a. VFD for RB4 Boiler Tertiary Air fan
- b. VFD for 4F Evaporator New Secondary Condensate Pump
- c. RB4, CF6 Fiber line VFDs replacement in Phase-1
- d. Replacement of Air compressor for RJ6
- e. RJ 2,3 & 5 machines Fiber savings pumps replacement
- f. Advanced Process Control system for RLK#2

At Unit: Kadiyam -

- a. Replacement of Old Series In-Efficiency Motors
- b. Replacement of KA1 Main drive with AC VFD
- c. New Energy efficient foot print TG of 6.8 MW in place 5.7 MW TG
- d. Replacement of Old Series Inefficient Motors
- e. Double Doctor for KA#3 suction press

(B) Technology absorption-

I. Efforts made towards technology absorption:

Unit: Rajahmundry

- **Central Oil Lubrication System for RJ3 & RJ5 Dryer Felt Rolls**

Central Oil Lubrication (COL) system ensures continuous oil lubrication for all felt rolls and oil flow monitoring with rotameters for each felt roll and will contribute in Reduction of machine vibration levels, Reduction in roll bearing & journal failures and Improvement in Rolls Reliability & run ability.

- **Total Organic Carbon analyser for ETP**

On-Line connectivity of Total Organic Carbon (TOC) to CPCB & APPCB, is replaced with SHIMADZU make TOC-4200 model.

- **Replacement of Air Compressor in RJ6**

Existing Demag obsolete compressor is replaced with Atlas Copco oil free screw Air compressor to ensure oil free air to protect end-products. It contributes energy saving.

- **New Refiner for RJ#5 in series with existing Refiner**

Installed additional new 350KW 26" Tri Disc Parason make Refiner at RJ5 for high refining pulp to produce cupstock grade at RJ5 machine. It provides virtually maintenance free operation.

- **Automatic Shrink Wrap System- A4 Section**

The wrap system enables to wrap the finished product bundles with LDPE instead of Cartoon boxes. There is no manual intervention till packing of bundles with shrink wrap. This shrink wrap of A4 bundles can withstand abrasion during transport and also economical for customer as well as organization.

- **Radial Stretch Wrapping Machine for reels**

The Radial stretch wrapping machine is simple and robust technology of Minipack for Reels wrapping. This new stretch wrapping will work as moisture barrier to reels and eliminate piping due to moisture.

- **Advanced Process Control System for RLK#2**

ABB ability Advance Process Control (APC) is an intelligent model-based system for controlling, stabilizing, predicting and optimizing the processes. ABB 800xA APC, based on Model Predictive Control (MPC) technology, a popular technique for advanced control, offers substantial performance improvement for processes with strong interaction between variables and complex operational constraints. It optimizes the fuel consumption with reduced lime quality variations.

Unit: Kadiyam

- **QCS/DCS for KA3 Machine**

Valmet IQ sensors, provides fast, high resolution sheet quality profiles from edge to edge. A solid construction plus built-in intelligence and diagnostics ensure trouble-free operation year after year. The intelligence built into Valmet IQ Scanner allows its scanning speed, acceleration and deceleration rates to be adjusted and controlled to suit the CD and MD control requirements.

- **DCS for Power Block**

Valmet's 8th generation DCS for Boiler and Turbine were installed in December, 2021. Noise immunity meets European EMC requirements.

- **Double doctor for KA#3 Suction press**

Double doctor from Lantier, Spain for KA#3 Suction press roll was installed to remove excess water from the suction press roll thereby improving the dryness values after press part, apart from CD moisture profile improvement, steam reduction at dryer part.

- **Static Bar for KA#3**

Static bar was installed in KA#3 calendar section to eliminate static current from the paper which in turn gives better sheet release property during printing operation. This is most critical for low gsm paper like Pharma print.

- **Pasaban Sheet cutter in Conversion #3**

Pasaban sheet cutter meets the sheet demand. The entire Drives/Electrical panels were changed with Indigenous Vendor Support. This sheeter gives better cutting quality along with good dressing of cut sheets at pallet.

II. Benefits derived like product improvement, cost reduction, product development or import substitution:

Unit - Rajahmundry:

i Probiotic bleach enhancer "Prowhite" of M/s Proklean Technologies: With the use of Prowhite total cost savings works out to Rs. 52.95 per Ton (About 96 lakhs per Annum @550 TPD) of bleached pulp without any adverse effects on pulp quality and bleaching process.

ii. Green liquor settling aid "Infinity PS 1100" Polymer of M/s. Solenis Chemicals India: With the use of Green Liquor settling aid Infinity PS 1100 is effective in reduction of TSS without any adverse effects on the process.

However, for better understanding of the product performance longer run trial of two months are recommended to observe the sustainability of results in longer run trials.

iii. De-barking of Casuarina Junghuniana wood in place of regular Eucalyptus wood at chipper:

Casuarina Junghuniana wood de-barking on de-barking machine is OK with load ability adjustment on individual de-barkers based on de-barker's length.

Unit - Kadiyam:

- Pharma print has to be regularized on KA#3.
- KA#3 final product moisture has been increased post double doctor installation.

New Product developments at Unit - Rajahmundry

iv. Cupstock 140 Gsm on RJ#5 machine: All paper properties and critical parameters are met with specifications. Average stretch value of 5.4% was achieved against the target of 4.9%. Based on the cup conversion feedback from the converter, further commercial trials are to be planned accordingly

v. Dark Brown shade in Ribbed Kraft on RJ#1 Machine: Strength, Roughness, shade and optical properties of Dark brown shade in Ribbed Kraft paper 80 Gsm & 95 Gsm trial run production is closely matched with the proposed specifications.

III. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -

1.	a.	Details of technology imported	QCS FOR RJ2 ABB QCS NP800 designed in Ireland, manufacturing & import from China. ABB's Network Platform 800 for on-line high-performance measurement scanning offers the ability to apply the highest quality measurement technology on all applications
	b.	Year of import	2020
	c.	Has the technology been fully absorbed?	Yes
	d.	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Not Applicable
2.	a.	Details of technology imported	QCS FOR KA2 Valmet's 8th generation IQ Quality Management System. Valmet IQ sensors provides fast, high resolution sheet quality profiles from edge to edge
	b.	Year of import	2020
	c.	Has the technology been fully absorbed?	Yes
	d.	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Not Applicable
3.	a)	Details of technology imported	TOC Analyzer for ETP TOC-4200 analyzer is SHIMADZU make, based in Japan. It is the only online TOC analyser that utilises catalytic combustion oxidation technology, with MCERTS accreditation, available on the market
	b)	Year of import	2021
	c)	Has the technology been fully absorbed?	Yes
	d)	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Not Applicable
4.	a.	Details of technology imported	QCS/DCS FOR KA#3 Valmet IQ 8, DCS & QCS along with Color scanner was imported from Finland. On-line measuring of GSM, Moisture, caliper along with ash gives real time measurement and controlling of the same to meet the product quality much within specification
	b.	Year of import	2021
	c.	Has the technology been fully absorbed?	Yes
	d.	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	
5.	a)	Details of technology imported	Double Doctor FOR KA3 Double doctor for KA#3 Suction press to improve post press dryness which in turn gives reduced steam consumption
	b)	Year of import	2021
	c)	Has the technology been fully absorbed?	Yes
	d)	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Not Applicable

6.	a.	Details of technology imported	Advanced Process Control System for RLK#2. ABB Ability Advanced Process Control is globally proven advanced controlled system. It is implemented using the PPC platform, which provides multi-variable feedback control and optimizes the process
	b.	Year of import	2022
	c.	Has the technology been fully absorbed?	Yes
	d.	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Not Applicable

Research and Development -

Unit: Rajahmundry

1.	Specific areas in which R&D carried out by the company	<ul style="list-style-type: none"> • New Product Development • Product quality improvement • Process optimisation studies • Identification of functional additives and plant trials for cost reduction /quality improvement • Evaluation of new fibrous raw materials
2.	Benefits derived as a result of the above R&D.	<ul style="list-style-type: none"> • New products developed as per market demand • Modification of products for Customer satisfaction • Identification of additives for quality Improvement and cost reduction • Identification of alternate fibrous raw materials
3.	Future plan of action	<ul style="list-style-type: none"> • New Product Development • Evaluation of alternate fibrous raw materials. • Process optimisation studies • Identification of functional additives/ chemicals for Product development, Process / quality Improvement and Cost reduction.

Kadiyam:

1.	Specific areas in which R&D carried out by the company	<p>- New Product Development – In KA#3 Andhra Pharma Print and Thermal Paper grades were developed for Industrial and E- commerce In KA#3 Andhra Carry Bag trial was taken and the results are encouraging In KA#1 Andhra Azure Laid (Green) a new product in the Azure Laid segment was developed</p> <p>- Product quality improvement – Reduction in Paper machine MD profile variations was achieved by installation of upgraded QCS systems at both Units. Brightness variation reduction through Color scanner was installed in KA#3</p> <p>- Process optimisation</p> <p>- Plant Trials for Cost Reduction Alternative defoamer, PAC reduction in HRT & ETP clarifier with Polymer, Telioform for ash retention improvement in KA#3. Native starch in place of Cationic starch</p>
2.	Benefits derived as a result of the above R&D.	<ul style="list-style-type: none"> - Developed New products as per market demand - Modified products for Customer satisfaction. - Identified additives for quality improvement and cost reduction - Identified alternate fibrous raw materials

3. Future plan of action	<ul style="list-style-type: none"> - Product Development Décor paper, Paper carry bag plant trial planned in KA#3 - Quality Improvement New Head Box in KA#3 to improve formation and CD profile variation reduction - Process optimisation, OBA optimization, BOD/COD and Yellow Color reduction in influent water during Yellow run - Plant Trials for Cost Reduction
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(C) Expenditure incurred on Research and Development:

(Rs. in lakhs)

Sl. No.	Particular	Amount
a.	Capital	-
b.	Recurring	62.10
c.	Total	62.10
d.	Total R & D expenditure as percentage of total turnover (%)	0.04

(D) Foreign exchange earnings and Outgo-

(Rs. in lakhs)

Particular	Amount
Foreign Exchange earned in terms of actual inflows	24,403.97
Foreign Exchange outgo in terms of actual outflows	1,874.21

ANNEXURE - 3

The information required pursuant to Section 197 (12) read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year 2021-22

Sl. No	Name of Director/KMP and Designation	Remuneration of Director/ KMP for the financial year 2021-2022 (Rs. in lakhs)	% increase / (decrease) in the remuneration	Ratio of remuneration of each director to median remuneration of employees
i.	Shree Kumar Bangur Chairman & Managing Director	-	-	N.A
ii.	Virendraa Bangur Vice Chairman	7.00	12.00	1.28
iii.	Saurabh Bangur Joint Managing Director	140.21	N.A [^]	25.68
iv.	Praveen P. Kadle Independent Director	7.00	-82.27	1.28
v.	Adhiraj Sarin Independent Director	7.75	-80.74	1.42
vi.	Sudarshan V. Somani Independent Director	6.25	13.64	1.14
vii.	Arun Kumar Sureka Independent Director	9.25	19.35	1.69
viii.	Rajendra Jain Non-Executive Director	5.50	0.00	1.01
ix.	Ms. Veni Mocherla Independent Director	5.50	37.50	1.01
x.	Mukesh Jain Director - Commercial	27.77	N.A [*]	5.09
xi.	Anish T. Mathew Director - Commercial & Chief Financial Officer	55.27	N.A [*]	10.12
xii.	Anish T. Mathew Chief Financial Officer	42.98	N.A [*]	N.A.
xiii.	Aravind Matta Company Secretary	46.26	N.A [^]	N.A.

[^]employed/appointed for a part of the year 2020-21 and therefore remuneration cannot be compared

^{*} employed / appointed for a part of the year in 2021-22 and therefore remuneration cannot be compared

The percentage increase in the median remuneration of employees in the financial year

The number of permanent employees on the rolls of the Company
Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification need to be given for increase in the remuneration thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

The median remuneration of employees in the current financial year registered increase of 8.38% over the previous financial year

There were 1,811 permanent employees as on March 31, 2022
The average increase in salary/wages of the employees was 9.96% (other than managerial personnel) whereas remuneration to managerial personnel decreased by 11.57% during the year.

It is hereby affirmed that the remuneration paid is as per Remuneration Policy of the Company.

For and on behalf of the Board

Place: Rajahmundry
Date: June 22, 2022

Shree Kumar Bangur
Chairman & Managing Director

ANNEXURE - 4

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2022

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To
The Members,
ANDHRA PAPER LIMITED
Rajahmundry – 533 105,
East Godavari District,
Andhra Pradesh.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **ANDHRA PAPER LIMITED** (hereinafter called the 'Company'). Secretarial Audit was conducted in accordance with the guidance note issued by the Institute of Company Secretaries of India and in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2022, complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022, according to the provisions of:

- (i) The Companies Act, 2013 ('the Act') and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
 - (d) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 - (Not applicable to the company during the period under review);
 - (e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021- (Not applicable to the company during the period under review);
 - (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 - (Not applicable to the Company during the period of audit);
 - (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 - (Not applicable to the Company during the period of audit);
 - (i) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 - (Not applicable to the company during the period under review);
 - (j) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares), Regulation, 2013 - (Not applicable to the Company during the period of audit); and
 - (k) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

(vi) Other laws specifically applicable to the Company include:

- A. Factories Act, 1948
- B. Indian Boilers Act, 1923
- C. The Environment (Protection) Act, 1986 and allied Environment Laws
- D. Contract Labour Act, 1971 and A.P Contract Labour Rules

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified under Companies Act, 2013.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and requisite number of Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent atleast seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions are carried through while the dissenting Board members' views, if any, are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that company has subscribed to an Online Compliance Management System whereby system generated reports are submitted quarterly to the members of the Board about non-compliance and delayed compliance, if any, with respect to all laws and rules that are applicable to the Company. The Board in their meetings takes note of this report and suggests corrective action if deemed necessary.

We further report that during the period under review the Company has received approval from BSE Limited and National Stock Exchange of India Limited on 12.07.2021 in respect of the application made by the company for re-classification of its Promoters, International Paper Investments (Luxembourg) S.a.r.l and IP International Holdings Inc. to public shareholders of the Company.

We further report that during the audit period, the Company has no specific events / actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

Place: Hyderabad
Date: April 26, 2022

For **D.HANUMANTA RAJU & CO**
Company Secretaries

CS D. HANUMANTA RAJU
Partner
FCS: 4044, CP NO: 1709
UDIN: F004044D000206807
PR NO: 699/2020

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

'ANNEXURE A'

To
The Members,
ANDHRA PAPER LIMITED
Rajahmundry – 533 105,
East Godavari District,
Andhra Pradesh.

Our report of even Date is to be read along with this letter:

1. Maintenance of Secretarial Records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these Secretarial Records based on our Audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial Records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial Records. We believe that the processes and practices we followed, provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, we have obtained the Management Representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Place: Hyderabad
Date: April 26, 2022

For **D. HANUMANTA RAJU & CO**
Company Secretaries

CS D. HANUMANTA RAJU
Partner
FCS: 4044, CP NO: 1709
UDIN: F004044D000206807
PR NO: 699/2020

ANNEXURE - 5

Form AOC- I

Pursuant to first proviso to Sub-Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014

Statement containing salient features of the financial statement of Subsidiaries/associate companies/joint ventures

Part "A": Subsidiaries

Name of the subsidiary	Andhra Paper Foundation
The date since when subsidiary was acquired	20-06-2013 (incorporated as a wholly subsidiary of the Company)
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	Not Applicable
Reporting currency and Exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	Not Applicable
Share capital	Rs.5,00,000
Reserves & surplus	Rs.13,21,215
Total assets	Rs.19,27,715
Total Liabilities	Rs.19,27,715
Investments	Rs.15,63,310
Turnover/ Income	Rs.97,683
Excess of Income over Expenditure, before taxation	Rs.14,377
Provision for taxation	NIL
Excess of Income over Expenditure, after taxation	Rs.14,377
Proposed Dividend	Not applicable
% of shareholding	100

- Names of subsidiaries which are yet to commence operations - Nil
- Names of subsidiaries which have been liquidated or sold during the year – Nil

Part B:

Associates and Joint Ventures Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate companies and Joint Ventures

The Company does not have any Associates/Joint Ventures.

For and on behalf of the Board

Place: Rajahmundry
Date: June 22, 2022

Shree Kumar Bangur
Chairman & Managing Director

ANNEXURE - 6

BUSINESS RESPONSIBILITY REPORT

Section A: General Information About the Company

1.	Corporate Identity Number (CIN) of the Company	:	L21010AP1964PLC001008
2.	Name of the Company	:	Andhra Paper Limited
3.	Registered address	:	Rajahmundry, East Godavari District, Andhra Pradesh – 533 105
4.	Website	:	www.andhrpaper.com
5.	E-mail id	:	Aravind.matta@andhrpaper.com
6.	Financial Year reported	:	2021-2022
7.	Sector(s) that the Company is engaged in (industrial activity code-wise)	:	17011, 17016 and 17093
8.	List three key products/services that the Company manufactures/provides (as in balance sheet)	:	Paper, board and pulp
9.	Total number of locations where business activity is undertaken by the Company		
	a. Number of International Locations (Provide details of major 5)	:	Nil
	b. Number of National Locations	:	Units -3, Regional Sales Offices-7
10.	Markets served by the Company – Local/State/National/International	:	National/International

Section B: Financial Details of the Company

1.	Paid up Capital (INR Crore)	:	39.77
2.	Total Turnover (INR Crore)	:	1380.23
3.	Total profit after taxes (INR Crore)	:	139.73
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	:	2.6
5.	List of activities in which expenditure in 4 above has been incurred: -		
	a. Health & Wellness		
	b. Education		
	c. Community Engagement		

Section C: Other Details

1. Does the Company have any Subsidiary Company/ Companies?

The Company has one Subsidiary Company as on March 31, 2022, i.e. Andhra Paper Foundation.

2. Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s).

No, at present our subsidiary company does not participate in the BR Initiatives of the parent.

3. Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]

No, at present our suppliers, distributors etc. do not participate in the BR initiatives of the Company.

Section D: BR Information

1. Details of Director(s) responsible for BR

a. Details of the Director(s) responsible for implementation of the BR policy/policies

DIN Number	Name	Designation
09380039	Mukesh Jain	Director – Commercial & CFO

b. Details of the BR head

Sl. No.	Particulars	Details
1.	DIN Number (if applicable)	09380039
2.	Name	Mukesh Jain
3.	Designation	Director – Commercial & CFO
4.	Telephone number	0883-2471831
5.	e-mail id	mukesh.jain@andhrpaper.com

2. Principle-wise (as per NVGs) BR Policy/policies

Principles as per NVG:

Principle 1

Code of Business Conduct & Ethics and Whistle Blower Policy

Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

Principle 2

Sustainability Policy & Controlled wood policy and Environment, Health and Safety Policy (EHS Policy)

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

Principle 3

EHS Policy

Businesses should promote the well-being of all employees

Principle 4

Corporate Social Responsibility Policy (CSR Policy) and Policy on Prevention of Sexual Harassment of Women at Workplace (POSH policy)

Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

Principle 5

Supplier Code of Conduct and Code of Business Conduct & Ethics

Businesses should respect and promote human rights

Principle 6

Environment Health and Safety Policy, Sustainability Policy & Controlled wood policy

Businesses should respect, protect and make efforts to restore the Environment

Principle 7

Code of Business Conduct & Ethics

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

Principle 8

CSR Policy, Sustainability Policy & Controlled wood policy

Businesses should support inclusive growth and equitable development

Principle 9

Quality Policy

Businesses should engage with and provide value to their customers and consumers in a responsible manner

a. Details of compliance (Reply in Y/N)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	Y	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Yes, they are in line with NVG principle. Further the relevant policies are in line with ISO 9001:2015 and ISO 45001:2018 certifications.								
4.	Has the policy being approved by the Board? If yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y
5.	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	Y	Y
6.	Indicate the link for the policy to be viewed online?	http://www.andhrpaper.com/investors-policies.html								
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	Y	Y
8.	Does the company have in-house structure to implement the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	Y	Y
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	Y	Y

b. if answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The company does not have financial or manpower resources available for the task						NA			
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. Governance related to BR

- a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year.

BR performance of the Company is reviewed annually by the Board of Directors as a part of Annual Report.

- b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

Yes. The hyperlink is <http://www.andhrpaper.com/>.

Section E: Principle-Wise Performance

Principle 1 - Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.

The Company's philosophy on Corporate Governance is aimed at assisting the management of the Company in the efficient conduct of the business and to meet its obligations to the stakeholders. Accordingly, the Company believes in and has consistently practiced good Corporate Governance. In pursuance of this philosophy, the management adheres to transparency, professionalism and accountability in performance of its role.

- 1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

The Policy covers only the Company.

- 2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Stakeholders Complaints*		
No. of Complaints Received	No. of Complaints Resolved	No. of Complaints Pending
2	2	0

*from the shareholders of the Company in respect of share certificates

Principle 2 - Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.

We make paper products from fibre, which comes from nature and sustainable forests. Along with promoting sustainable forestry practices, our goal is to minimize the environmental impact and promote the long-term sustainability of natural capital. In the short term, we take deliberate efforts to improve our use of water, chemicals and energy as well as improve our stack air emissions and solid waste disposal.

- 1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The Company's Products like Skytone, HP & Reflection have incorporated social/environment concerns, risks and or/ opportunities. These products confirm to Forest Stewardship Council (FSC) requirement and carry FSC Logo.

- 2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
N.A.
- b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?
N.A.

- 3. Does the company have procedures in place for sustainable sourcing (including transportation)? If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

Yes, we have a Pre-Screening Questionnaire (PSQ) as a part of initial vendor screening which aims at gauging a vendor from the Sustainability point of view at a high level.

Every vendor, with the exception of (1) Govt. entities and (2) Agricultural Marketing Committees of State government, signs a Supplier Code of Conduct (SCOC) which is to hold our suppliers / contractors / transporters accountable for upholding laws of the land, Labour and human rights, welfare, health and safety of their employees, environmental footprint etc. This process helps us communicate our commitment to sustainability to the vendors before we on-board them.

Andhra Paper (APL) procures its entire pulpwood following guidelines of Forest Stewardship Council® (FSC®). APL holds FSC® FM certificate that enables it to procure FSC certified wood, called FSC 100%. APL also has FSC COC-CW certificate that enables it to procure FSC controlled material. During 2021-22, APL procured 37% certified virgin fiber (FSC 100%) and balance was FSC controlled material.

The Company uses waste paper (Recovered Fiber) to produce writing and printing paper at Unit: Kadiyam. Here, the Company used ~55% FSC Controlled material and ~11% of FSC RM (Reclaimed Material) during FY 2021-22.

- 4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, we are continuing our effort to develop local producers, who are in the vicinity of our mills for our purchases. The Company is also actively engaging local service providers for canteen services and work force supplies.

- 5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products

and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes, we recycle 5-10% of our products (semi- finished / unfinished and broke) and utilize up to 93% of solid waste by recycling and reuse.

The Company is having a well- structured mechanism in place of recycling of its products and reuse its waste.

There is a comprehensive waste generation monitoring system to record and recycle or reuse its waste and nonconforming products. Bark and chip dust generated in wood processing operations is used in AFBC Boiler. ETP sludge generated is used as a fuel in the AFBC boiler for steam generation. Paper machines and Finishing & Converting sections generate wastage of un-finished paper & broke between 5% to 10%, which is re-pulped /recycled again at Stock Preparation area and sent to paper machines for paper making.

The Fly Ash generated during the year 2021-22 at Unit: Rajahmundry and Unit Kadiyam was 53,460 Tons and 41,851 Tons respectively. It is disposed to brick manufactures for their beneficial use. It is in line with compliance with Regulatory norms.

A. The major solid wastes recycled under hazardous waste categories:

Total hazardous waste generated during the year 2021-22 is 22,400 Tons as against permitted norm of 44,325 Tons in Rajahmundry Mill. Out of this 17,511 Tons of ETP sludge was generated. It is used partly in our boiler and partly disposed to end users. Used lubrication oil of 9.34 Tons was generated which is partly used within the premises and partly disposed to authorized recyclers. The containers liner 122.74 Tons are disposed to recyclers after cleaning.

Total hazardous waste generated during the year 2021-22 is 30,006 Tons as against permitted norm of 41,030 Tons in Kadiyam Mill. Out of this 29,185 tons of ETP sludge is disposed to end users for beneficial usages.

B. The major solid wastes recycled under Non Hazardous categories during the year 2021-22

Total Nonhazardous & other wastes generated at Unit: Rajahmundry during the year 2021-22 is 1,05,138.87 Tons as against permitted norm of 2,31,832.50 Tons. Out of this, Waste Lime sludge of 9,558.21 Tons generated is disposed to cement & brick kiln industries for beneficial use. Total Chip dust of 21,132 Tons generated from wood processing is used in boiler. Waste wood bark of 16,469.36 Tons generated is majorly used in boiler and partly disposed to end user.

ESP Ash of 1,857.66 Tons generated is disposed to end users. Discarded Batteries generated are disposed to authorized dealers or return back to suppliers. E-waste of 13.23 tons generated is being disposed to authorized dismantlers or recycler. Bio Medical waste generated from Occupational health center is being given to approved off-site treatment and disposal facility.

Total Nonhazardous & other wastes generated at Unit: Kadiyam during the year 2021-22 is 45,750 Tons as against permitted norm of 53,570 Tons. Out of this, 41,851 Tons of coal ash was disposed to Brick Manufacturers for their usage and 3,488 Tons of Plastic waste was disposed to Cement Industries for use.

Principle 3 - Businesses should promote the well-being of all employees.

The Company's agenda for engaging and developing its employees includes initiatives to attract, develop and retain talent. The key focus areas included diversity and inclusion, succession planning, developing a talent pool for critical positions, quality of life programs and leadership development. We advocate diversity and inclusion including diversity of experience, background, gender and race. People with diversity of background and experience bring new ideas, challenge the old norms and better prepare us to compete and serve our diverse customers and markets. To encourage health and well-being of our workforce, we provided free annual health check-up facility for all employees during the year.

We use a balance of approaches to develop our teams including engagement plans, training & skill development, career planning and health & wellness programs to build a strong organization and strong individuals.

1.	Please indicate the Total number of employees. (approx.)	:	4,910
2.	Please indicate the Total number of employees hired on temporary/contractual/casual basis (approx.)	:	3,099
3.	Please indicate the Number of permanent women employees	:	21
4.	Please indicate the Number of permanent employees with disabilities	:	19
5.	Do you have an employee association that is recognized by management?	:	Nil
6.	What percentage of your permanent employees is members of this recognized employee association?	:	NA

- Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sl. No.	Category	No. of complaints filed during the financial year	No. of complaints pending as on end of the financial year
1.	Child labour/forced labour/ involuntary labour	Nil	Nil
2.	Sexual harassment	Nil	Nil
3.	Discriminatory employment	Nil	Nil

The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition and redressal of sexual harassment at workplace. Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment.

- What percentage of your undermentioned employees were given safety & skill up-gradation training in the last year?
 - Permanent Employees : ~65
 - Permanent Women Employees : ~48
 - Casual/Temporary/Contractual Employees : ~67
 - Employees with Disabilities : 68

With safety as a top priority, we make extensive investments in training and skill development to raise awareness of risks and certify knowledge for procedures and conditions. Our Manufacturing Excellence (ME) program trains and certifies expertise in techniques using 6-sigma, Lean, RCFA and process improvement.

Principle 4 - Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized.

The Company firmly believes that practice of Corporate Governance, inter alia, should aim at meeting the aspirations of the stakeholders and the expectations of the society at large.

- Has the company mapped its internal and external stakeholders? Yes/No
Yes
- Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders.
Yes

- Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so.

The Company has taken various initiatives in this regard viz., Community Engagement programmes, providing self-employment/ skill development training to women through various CSR initiatives of the Company, Whistle blower mechanism, Prevention of sexual harassment at work place, are a few of them.

Principle 5 - Businesses should respect and promote human rights

The Company is deeply committed to upholding human rights and has Policies for the same applicable to its employees at all the locations. We have policies covering the supply chain also.

These Policies serve as the guiding principle when it comes to adherence to applicable laws of human rights in line with various national and international standards in this area. We have been continuously strengthening and introducing systems to ensure sound implementation of Policies with respect to Human Rights and decent work place. We have a code of conduct for Vendors who have adopted this voluntarily requiring compliance with applicable laws relating to, inter alia, human rights, environmental conservation, and quality of products and services.

- Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/ Suppliers/ Contractors/NGOs/Others?

The Company's code of conduct that primarily enshrines and advocates, inter alia, respect of human rights, covers employees at all the locations of the Company. As regards supply chain, we have Supplier Code of Conduct which covers suppliers/vendors ensuring their adherence to the human rights principle.

- How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

The company has not received any complaint on human rights during the previous financial year. In case of violations, there are mechanisms in place where employees can lodge complaints which are addressed suitably.

Principle 6 - Businesses should respect, protect and make efforts to restore the environment.

We are committed to ensure compliance with environmental regulations and continuously monitor our actions and output to ensure we operate within limits. Our mills have direct links to the Andhra Pradesh PCB monitoring systems providing live daily feeds. We are investing capital to reduce water consumption, convert sludge to energy and improve controls for boiler stack emission and odorous chemicals. The monitoring of effluent treatment plant performance has facilitated the reuse, reduction and recycling of

sludge. We have implemented projects to reuse and recirculate water within our mills to minimize consumption of fresh water. We invest in R&D and collaborate with both farmers and government to support a sustainable forestry strategy ensuring a healthy forest and sustained access to fibre for years to come.

Both the units of the Company at Rajahmundry and Kadiyam are ISO 14001:2015 certified. This gives a system approach towards environment management.

1. Does the policy relate to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

The policy related to Principle 6 extends to suppliers and contractors also. All signatories to Company's Supplier Code of Conduct (SCOC) are bound to follow the principles adopted by the company.

The Company considers its obligation to maintain the highest standards of safety and environment management in its operations. The Company has a well-defined Environment Policy in place. The Policy covers the Company and its employees. The Company encourages its Suppliers and Contractors to adapt to environment friendly and safe work practices in their day-to-day operations.

The Company has embraced FSC FM Certification process, which is based on Environmental, Social & Economic development and Sustainability. Consequently, all farmers and vendors working with us follow this process, thereby ensuring respect, protection and restoration of environment.

The Company has so far covered an area of 26,256 hectares and 8,769 FMU covered under FSC FM certification program. The Company also provides regular training to these farmers on the 10 principles of FSC FM.

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? Y/N. If yes, please give hyperlink for webpage etc.

Yes, the Company has rolled out Sustainability Goals 2030 to envisage and mitigate the business sustainability challenges in environmental & social context which invariably contribute to address global environmental issues such as global warming and climate change. The Company is focused at reducing Green House Gas (GHG) emission, Water conservation, maximizing Solid Waste utilization & reduction in Effluent discharge.

3. Does the company identify and assess potential environmental risks? Y/N

Yes, potential risks are identified a part of Company's risk management activity. The Company has an EHS Council in place with the objective of identifying environmental risk and devising risk mitigation plans therefore to ensure 100% compliance with environmental laws.

The Environmental Cell department closely works with all manufacturing teams to assure that day-to-day operations are performed within Environment norms. Any exceedance of limits, or environmental release or any notice of violations is promptly communicated to senior management through incident reporting system for immediate action and also referred to EHS council for incorporating in the mitigation strategy plan, if needed.

The Company is certified for (Quality Management System) ISO 9001: 2015, (Environment Management Systems) ISO 14001:2015 and (Occupational Health & safety Management system) ISO 45001:2018. These standards help company to systematically engaged in environment assessments and use recognized environmental standards systems to identify, assess and mitigate the potential environmental risks.

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

The Company continues to work towards cleaner production by using cleaner fuels and maximum utilization of energy from manufacturing processes. The company has fully functional global best practice of manufacturing excellence (Six Sigma & Lean Manufacturing) as a vehicle to execute its improvement projects. A few projects for cleaner production are:

- Water conservation projects;
- Effluent reduction by reuse and recycle;
- Waste water pollutant load reduction;
- Use of biofuels in boiler partially in place of coal i.e. Effluent Sludge (4,781 Tons), Wood Bark (16,422 Tons), wood chip dust (2,132 Tons) & wood rejects from Pulp;
- Black liquor from Pulp Mill as fuel in Recovery Boiler to generate steam and captive power;
- Recovery Boiler contributes to max. 60-70% power needs; and
- Chemical recovery process i.e. uses of recovery boiler furnace smelt (green liquor) to produce / recover for Whiter Liquor, Weak white Liquor. CaCo₃ is returned to reduce requirement of CaO (Calcium Oxide) necessary for White Liquor production.

As these are voluntary initiatives of the Company, no compliance report has been filed.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Yes, the Company executes various projects oriented towards energy efficiency improvement, clean technology and renewable energy. Some projects undertaken by the Company are as below:

- Use of ETP sludge in multi-fuel AFBC Boiler;
- Around 4,781 Ton of ETP sludge is used in boiler;
- VFDs are installed at various key locations in manufacturing process to save electricity based evaluation study;
- Use of Fine Bar technology for pulp refining used in central refining plant for saving energy;
- Installation of LED lightings in phased manner to conserve energy;
- Energy efficient Pumps installation in paper machine and Stock Preparation area;
- Weak Black Liquor concentration increased to reduce steam consumption at Evaporators thereby saving on energy consumption.

The Company has an efficient waste management system. The wastes are segregated in hazardous and non-hazardous wastes.

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

- Water consumption and waste water discharges are within stipulated norms. Quality of treated water is meeting permissible limits given by State Pollution Control Board;
- Hazardous and solid non-hazardous wastes quantities are within permissible limits;
- Air emission averages are meeting the prescribed norms of CPCB/SPCB. Further strengthening of reliable and sustainable operations of Recovery boiler emission control systems is planned.

The company is committed to minimize its waste and emissions.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

During the year, 3 nos. of Show Cause notices were received from SPCB and responses were also submitted. No notices were received from CPCB. There is no pending legal or show cause notices which were received from CPCB / SPCB as at the end of financial year.

Principle 7 - Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.

We are associated with prominent industry institutions that are engaged in policy advocacy. We are guided by the values of

commitment, integrity, transparency while raising a concern or undertaking a public advocacy issue.

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:
 - a. Confederation of Indian Industry
 - b. The Federation of Telangana Chambers of Commerce and Industry
 - c. The Federation of Andhra Pradesh Chambers of Commerce and Industry
 - d. Indian Paper Manufactures Association
 - e. Federation of Indian Export Organizations
 - f. Bharat Chamber of Commerce, Kolkata

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).

Yes. The Company participates in various forums of the aforesaid Associations and provides relevant insights on governance and administration, sustainable business principles, inclusive development policies (with a focus on skill building and literacy), economic reforms, tax and other legislations. The Company uses Code of Conduct, other Company's policies and in general the NVG principles as a guide for its actions in influencing public and regulatory policy.

Principle 8 - Businesses should support inclusive growth and equitable development

We are committed to community development and aim to bring about a meaningful change in the lives of people around us. We engage with the society stakeholders to ascertain the priority of development works to be taken up in the nearby society and accordingly, the projects are implemented which are monitored by in house teams. The major areas of community development are health, education and community engagement. Suitable mechanisms are in place to evaluate the impact of these interventions to ensure desired goals are achieved.

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Inclusive growth is one of the basic concepts of the CSR activities of the Company. Hence, we have designed 3 pillars under which the CSR activities of our company are carried forward. They are:

Health & Wellness: Under this pillar, the activities that are carried are broadly in the areas of –

- a) strengthening public health infrastructure – contribution to government run hospitals in the form of equipment or renovations;
- b) supporting our communities to have access to Safe Drinking Water – installation of water purification plants in schools, communities and their maintenance.

Education: Under this pillar, we support government and government aided schools in areas of a) academic improvement of students b) infrastructure support to school buildings like building toilets to giving furniture c) scholarships.

Community Engagement: Under this pillar we carry out activities that involve bringing in people to improve the quality of living ranging from Road Safety related activities to tree plantations to volunteering by employees to paint a school building.

2. Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/ any other organization?

The projects are all supervised/monitored by the in-house team of the Company

3. Have you done any impact assessment of your initiative?

The Company did not carry out any impact assessment, as it is statutorily not required

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

The Company has spent ~ Rs.202 lakhs during the financial year 2021-22. Full details of the projects can be visited at the CSR Annual Report of the Company, forming part of this Annual Report. Further the Company identified Ongoing Projects for an amount of Rs.165 lakhs to be carried out in 2022-23.

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

Health & Wellness: In case of Safe Drinking Water projects, which have crossed 60 in number over the past 6 years, we regularly visit the Gram Sabhas to remind people to utilize the facility and ensure protection from water borne diseases.

Education: In case of school infrastructure support and specifically building toilets, our teams organise sessions through the teachers during school assembly on sanitation.

Community Engagement: In case of Road Safety project, the school students have been motivated to become Road Safety Ambassadors who approach families and give messages and also take their feedback – all of which is documented.

Principle 9 - Businesses should engage with and provide value to their customers and consumers in a responsible manner.

The Company is committed to providing products that offer best-in-class quality. The Company adopts benchmarked manufacturing practices and robust quality assurance systems for its products. A well-established system is in place for dealing with customer feedback. IT enabled customer complaint redressal system is in place to manage the complaints in an effective manner.

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year?

We use SFDC - salesforce.com platform, monitored by CTS (Customer Technical Services), through which all customer complaints are addressed. All stakeholders have access to SFDC to have a 360° visibility on quality complaints. The complaints are routed to respective Quality Control Heads of the Mills along with relevant samples. The complaints are investigated through various steps viz., Route Cause Analysis, Corrective Action Plan (CAP) etc., and appropriate actions are taken on the complaints with well-defined timelines.

Despite the Covid situation, maximum complaints are attended, addressed and resolved to ensure maximum customer satisfaction. We've used alternate communication methods (like video calls) where our CTS representatives couldn't travel due to Lockdown related restrictions to resolve the customer complaints. More than 83% of complaints are closed during the year. The percentage of pending complaints that were pending as on the end of financial year – 16.4%.

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks (additional information).

We provide additional data like Product Applications etc. on Copier Wrappers only, over and above mandatory information as per local laws. Product labelling is done as per statutory requirement.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year? If so, provide details thereof, in about 50 words or so.

No complaints were filed by any stakeholder against the Company in the above areas.

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes, we do take customer feedback once in 6 months (at least twice in a year) as per ISO guidelines. The Company has given strong focus on value creation for customers and achieving higher level of customer satisfaction. Customer satisfaction surveys are carried out on a regular basis. This provides valuable feedback to continuously improve in delivering superior value to customers.

SECRETARIAL COMPLIANCE REPORT

OF ANDHRA PAPER LIMITED

FOR THE YEAR ENDED 31.03.2022

To
The Members,
ANDHRA PAPER LIMITED
Rajahmundry – 533 105,
East Godavari District,
Andhra Pradesh.

We, D. Hanumanta Raju & Co, Company Secretaries, having our office at B-13, F-1, P.S.Nagar, Vijayanagar Colony, Hyderabad – 500 057 have examined

- a) all the documents and records made available to us and explanation, information and clarifications provided by ANDHRA PAPER LIMITED, (“the Listed Entity”),
- b) the filings/ submissions made by the Company to the Stock Exchanges,
- c) website of the Listed Entity,
- d) declaration received from the listed entity on Annual Compliance for the financial year ended 31st March, 2022 (“Review Period”) in respect of compliance with the provisions of:
 - 1. the Securities and Exchange Board of India Act, 1992 (“SEBI Act”) and the Regulations, circulars, guidelines issued thereunder; and
 - 2. the Securities Contracts (Regulation) Act, 1956 (“SCRA”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“SEBI”);

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:-

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Listed Entity during the period under review)
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Listed Entity during the period under review)
- e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not applicable to the Listed Entity during the period under review)
- f) Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not applicable to the Listed Entity during the period under review)
- g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013; (Not applicable to the Listed Entity during the period under review)
- h) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018

And circulars / guidelines issued thereunder; and based on the above examination, we hereby report that, during the Review Period:

- a) The Listed Entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder.
- b) The Listed Entity has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder in so far as it appears from our examination of those records.
- c) No actions were taken against the Listed Entity/ its promoters/ directors either by SEBI or by Stock Exchanges (including under the Standard

Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.

- (d) The Listed Entity has taken the following actions to comply with the observations made in previous reports: Not Applicable for the review period.
- (e) The reporting of Clause 6(A) and 6(B) of the circular No. CIR/CFD/CMD1/114/2019 dated October 18, 2019 issued by Securities and Exchange Board of India on "Resignation of

statutory auditors from listed entities and their material subsidiaries" is not applicable during the Review Period.

Place: Hyderabad
Date: 26/04/2022

For **D. HANUMANTA RAJU & CO.**
Company Secretaries

CS D. HANUMANTA RAJU
Partner
FCS: 4044, CP NO: 1709
UDIN: F004044D000206807
PR NO: 699/2020

REPORT ON CORPORATE GOVERNANCE

1. Company's philosophy on Code of Governance

The Company's philosophy on Corporate Governance is aimed at assisting the management of the Company in the efficient conduct of the business and to meet its obligations to the stakeholders. The Company firmly believes that practice of Corporate Governance, *inter alia*, should aim at meeting the aspirations of the stakeholders and the expectations of the society at large. Accordingly, the Company believes in and has consistently practiced good Corporate Governance. In pursuance of this philosophy, the management adheres to transparency, professionalism and accountability in performance of its role.

2. Board of Directors

a. Composition of Board

We believe that our Board needs to have an appropriate mix of executive, non-executive and independent directors

to maintain its independence, and separate its functions of governance and management. The Listing Regulations mandate that every listed company shall have an optimum combination of executive and non-executive directors with at least one-woman director and not less than fifty percent of the board of directors shall comprise of non-executive directors.

As on March 31, 2022, the Board comprised ten members, consisting of Chairman & Managing Director, one Joint Managing Director, one Executive Director (whole-time), two Non-Executive Non-Independent Directors, five Non-Executive Independent Directors including one independent Woman Director. Independent Directors constitute 50% of the Board's strength complying with the requirements of the Companies Act, 2013 and Listing Regulations.

As on March 31, 2022, Independent Director(s) occupied the position of chairmanship for each of the audit committee, nomination and remuneration committee and stakeholders' relationship committee.

a) Composition and category of directors, number of other board of directors or committees in which the director is a member or chairman as on March 31, 2022 are as follows:

Name of the Director	Indian-listed companies	Category of Directorship	No. of companies (1)(3)	Committee membership (2)(3)	Committee Chairmanship (2)(3)
Executive Directors:					
Mr. Shree Kumar Bangur	Jayshree Chemicals Limited	Non-Executive, Promoter, Non-Independent Director	9	1	1
	West Coast Paper Mills Limited	Executive, Promoter, Chairman & Managing Director			
	Andhra Paper Limited	Executive, Promoter, Chairman & Managing Director			
Mr. Saurabh Bangur	West Coast Paper Mills Limited	Non-Executive, Non-Independent Director	6	2	-
	Andhra Paper Limited	Executive, Joint Managing Director			
Mr. Mukesh Jain	Andhra Paper Limited	Executive, Whole-time Director	2	-	-
Non-Executive Non-Independent Directors:					
Mr. Rajendra Jain	West Coast Paper Mills Limited	Executive, Whole-time Director	2	3	-
	Andhra Paper Limited	Non-Executive, Non-Independent Director			

Name of the Director	Indian-listed companies	Category of Directorship	No. of companies (1)(3)	Committee membership (2)(3)	Committee Chairmanship (2)(3)
Mr. Virendraa Bangur	West Coast Paper Mills Limited	Executive, Joint Managing Director	11	1	-
	Jayshree Chemicals Limited	Non-Executive, Promoter, Non-Independent Director			
	Taparia Tools Limited	Non-Executive, Non-Independent Director			
	Andhra Paper Limited	Non-Executive, Non-Independent Director			
Non-Executive Independent Directors:					
Mr. Adhiraj Sarin	Tinna Trade Limited	Non-Executive, Independent Director	2	2	-
	Andhra Paper Limited	Non-Executive, Independent Director			
Mr. Praveen P. Kadle	Persistent Systems Limited	Non-Executive, Independent Director	12	3	3
	Tide Water Oil Co. (India) Limited	Non-Executive, Independent Director			
	Andhra Paper Limited	Non-Executive, Independent Director			
Mr. Sudarshan V. Somani	West Coast Paper Mills Limited	Non-Executive, Independent Director	5	2	1
	Andhra Paper Limited	Non-Executive, Independent Director			
Mr. Arun Kumar Sureka	Andhra Paper Limited	Non-Executive, Independent Director	10	1	-
Ms. Veni Mocherla	NACL Industries Limited	Non-Executive, Independent Director	3	-	-
	Andhra Paper Limited	Non-Executive, Independent Director			
	Manorama Industries Limited	Non-Executive, Independent Director			

1. Directorship in companies around India (Listed Public, Unlisted Public, No Profit & Loss and Private Limited companies)
2. Disclosure includes membership / chairman of the audit committee and stakeholders relationship committee in Indian public companies (listed and unlisted)
3. Including Andhra Paper Limited

b. Attendance of each director at the Meeting of the board of directors and the last annual general meeting:

Name of the Director	Last AGM dated August 12, 2021	Board Meetings		% of attendance
		Held during the tenure	Attended	
Mr. Shree Kumar Bangur (Chairman & Managing Director)	Yes	4	4	100.00
Mr. Saurabh Bangur (Joint Managing Director)	Yes	4	4	100.00
Mr. Rajendra Jain	Yes	4	4	100.00
Mr. Virendraa Bangur (Vice Chairman)	Yes	4	4	100.00

Name of the Director	Last AGM dated August 12, 2021	Board Meetings		
		Held during the tenure	Attended	% of attendance
Mr. Adhiraj Sarin	Yes	4	4	100.00
Mr. Praveen P. Kadle	Yes	4	4	100.00
Mr. Sudarshan V. Somani	Yes	4	4	100.00
Mr. Arun Kumar Sureka	Yes	4	4	100.00
Ms. Veni Mocherla	Yes	4	4	100.00
Mr. Anish T. Mathew ¹	Yes	3	3	100.00
Mr. Mukesh Jain ²	N.A	1	1	100.00

¹ Resigned with effect from close of business on November 9, 2021

² Appointed as a Director and Whole-Time Director w.e.f. November 10, 2021

- | | |
|---|---|
| <p>c. No. of meetings of the Board of Directors held and dates on which held:</p> <p>During the financial year, four meetings of Board of Directors were held on May 11, 2021; July 29, 2021; November 08, 2021 and January 31, 2022.</p> <p>d. Mr. Virendraa Bangur and Mr. Saurabh Bangur (sons) are related to Mr. Shree Kumar Bangur (father) and other directors are unrelated to each other except as members of the Board.</p> <p>e. None of the Non-Executive Directors and Independent Directors hold equity shares and convertible instruments of the Company.</p> <p>f. The details of Familiarization Programme are placed on the Company's website viz., www.andhraper.com.</p> <p>g. A chart or a Matrix for skills/attributes identified by the Board of Directors as required in the context of business/sectors to function effectively & Directors who have such skills / expertise / competence is given in Appendix – 1.</p> <p>h. In the opinion of the Board, the Independent Directors fulfill the conditions specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and are independent of the management.</p> <p>i. No Independent Director has resigned before expiry of his/her tenure.</p> | <p>iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;</p> <p>iv. Reviewing with the management of the annual financial statements before submission to the Board, with particular reference to the following:</p> <ul style="list-style-type: none"> • Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013; • Changes, if any, in accounting policies and practices and reasons for the same; • Major accounting entries involving estimates based on the exercise of judgement by management; • Significant adjustments made in the financial statements arising out of audit findings; • Compliance with listing and other legal requirements relating to financial statements; • Disclosure of any related party transactions; • Modified opinion(s) in the draft audit report; <p>v. Reviewing with the management quarterly financial statements before submission to the Board for approval;</p> <p>vi. Reviewing the functioning of the whistle blower mechanism;</p> <p>vii. Evaluation of internal financial controls and risk management systems.</p> |
|---|---|

3. Audit Committee

a. Brief description of terms of reference of Audit Committee as per the Charter approved by the Board are:

- i. Oversight of the Company's financial reporting process and disclosure of its financial information to ensure accuracy and correctness;
- ii. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

b. Composition of Audit Committee

As at April 1, 2021, the Audit Committee comprised of four Members viz. Mr. Praveen P. Kadle as Chairman, Messrs. Adhiraj Sarin, Arun Kumar Sureka and Shree Kumar Bangur as Members.

The Board at its Meeting held on May 11, 2021, reconstituted the Audit Committee by appointing Mr. Saurabh Bangur as a Member, replacing Mr. Shree Kumar Bangur and the composition of the Committee as on March 31, 2022 is as follows:

Name	Category	Designation
Mr. Praveen P. Kadle	Non-Executive, Independent Director	Chairman
Mr. Adhiraj Sarin	Non-Executive, Independent Director	Member
Mr. Arun Kumar Sureka	Non-Executive, Independent Director	Member
Mr. Saurabh Bangur	Executive Director	Member

All members of Audit Committee are financially literate and Mr. Praveen P. Kadle have accounting and related financial management expertise.

c. Meetings and attendance during the year

During the financial year, four meetings of Audit Committee were held on May 11, 2021; July 29, 2021; November 08, 2021; and January 31, 2022.

The details of the Meetings attended by the Members are given below:

Name	Number of Meetings held during the tenure	Number of Meetings attended
Mr. Praveen P. Kadle	4	4
Mr. Adhiraj Sarin	4	3
Mr. Arun Kumar Sureka	4	4
Mr. Shree Kumar Bangur	1	0
Mr. Saurabh Bangur	3	3

The Company Secretary acts as the Secretary to the Committee.

4. Nomination and Remuneration Committee

Brief description of terms of reference of Nomination and Remuneration Committee as per the Charter approved by the Board are:

a. Terms of reference

- Formulating criteria for determining the qualifications, positive attributes and independence of a director;

- Evaluate the balance of skills, knowledge and experience on the Board and based on such evaluation, prepare a description of the role and capabilities required of an independent director, recommend to the Board for appointment as an independent director who have the capabilities identified in such description;
- Identifying the persons who are qualified to become Executive Directors, Non-Executive Directors and Independent Directors and to recommend to the Board their appointment and removal;
- To extend or continue the term of appointment of Independent Directors;
- Identifying persons who may be appointed in Senior Management and to recommend to the Board their appointment and removal;
- Devising a policy on Board diversity;
- Succession Planning; and
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.

b. Composition of Nomination and Remuneration Committee

As at April 1, 2021, the Nomination and Remuneration Committee comprised of four Members viz. Mr. Arun Kumar Sureka as Chairman, Messrs. Adhiraj Sarin, Shree Kumar Bangur and Virendraa Bangur as Members.

In terms of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, as amended, the Board at its Meeting held on November 8, 2021 reconstituted the Committee and the composition of Committee as on March 31, 2022 is as follows:

Name	Category	Designation
Mr. Arun Kumar Sureka	Non-Executive, Independent Director	Chairman
Mr. Adhiraj Sarin	Non-Executive, Independent Director	Member
Mr. Sudarshan V. Somani	Non-Executive, Independent Director	Member
Mr. Shree Kumar Bangur	Executive Director	Member

c. Meetings and attendance during the year

During the financial year, three Meetings of Nomination and Remuneration Committee were held on May 11, 2021; November 8, 2021 and January 31, 2022 and the details of Meetings attended by the Members are given below:

Name	Number of Meetings held during the tenure	Number of Meetings attended
Mr. Arun Kumar Sureka	3	3
Mr. Adhiraj Sarin	3	2
Mr. Sudarshan V. Somani	1	1
Mr. Shree Kumar Bangur	3	1
Mr. Virendraa Bangur	2	2

The Company Secretary acts as the Secretary to the Committee.

d. Performance evaluation criteria for independent directors

The Board of Directors evaluates the performance of Independent Directors on yearly basis as per the applicable statutory provisions.

5. Stakeholders Relationship Committee

The Composition of Stakeholders Relationship Committee as on March 31, 2022 is as follows:

Name	Category	Designation
Mr. Sudarshan V. Somani	Non- Executive, Independent Director	Chairman
Mr. Virendraa Bangur	Non-Executive, Non-independent Director	Member
Mr. Rajendra Jain	Non-Executive, Non-independent Director	Member

During the financial year, the Stakeholders Relationship Committee met on January 31, 2022.

All the three Members attended the meeting.

The Company Secretary acts as the Secretary to the Committee.

Name and Designation of the Compliance Officer: Mr. Aravind Matta, Company Secretary & Vice President (Corporate Affairs).

The details of the status of complaints received from the security holders during the financial year ended March 31, 2022 are furnished below:

No. of pending complaints as on March 31, 2021	0
No. of shareholders' complaints received during the financial year	2
No. of complaints solved to the satisfaction of shareholders	2
No. of complaints not solved to the satisfaction of shareholders	0
No. of pending complaints as on March 31, 2022	0

6. Risk Management Committee

In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("Regulations"), the Company constituted Risk Management Committee (RMC) on October 10, 2021.

Terms of reference:

- i. Formulate a detailed risk management policy which shall include:
 - I. A framework for identification of internal and external risks specifically faced by the Company, in particular, financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risks as may be determined by the Committee
 - II. Measures for risk mitigation including systems and processes for internal control of identified risks
 - III. Business continuity plan
- ii. Ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- iii. Monitor and oversee implementation of the Risk Management Policy, including evaluating the adequacy of risk management systems;
- iv. Periodically review the Risk Management Policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- v. Keep the Board of Directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- vi. Review appointment, removal and terms of remuneration of the Chief Risk Officer (if any).

The Composition of Risk Management Committee on October 10, 2021 comprised of:

Name	Category	Designation
Mr. Saurabh Bangur	Executive Director	Chairman
Mr. Anish T. Mathew	Executive Director	Member
Ms. Veni Mocherla	Non-Executive, Independent Director	Member
Mr. Mukesh Jain	Non-Board Member	Member

Mr. Anish T. Mathew resigned as a Director (Whole-Time Director) w.e.f November 9, 2021 and continued as Chief Financial Officer (CFO) and Member of the Committee till January 24, 2022.

Mr. Mukesh Jain has been appointed as a Whole-Time Director of the Company effective November 10, 2021 and has been continuing his membership with that changed category.

The Composition of Risk Management Committee as on March 31, 2022 is as follows:

Name	Category	Designation
Mr. Saurabh Bangur	Executive Director	Chairman
Ms. Veni Mocherla	Non-Executive, Independent Director	Member
Mr. Mukesh Jain	Executive Director	Member

During the financial year, two Meetings of Risk Management Committee were held on November 8, 2021 and March 16, 2022 and details of attendance of Members are as follows:

Name	Number of Meetings held during the tenure	Number of Meetings attended
Mr. Saurabh Bangur	2	2
Mr. Anish T. Mathew	1	1
Ms. Veni Mocherla	2	2
Mr. Mukesh Jain	2	2

7. Remuneration of Directors:

a. All pecuniary relationship or transactions of the Non-Executive Directors

The details of sitting fees paid to the Non-Executive Directors during the financial year ended March 31, 2022 were as follows:

Name	Sitting Fees
Mr. Adhiraj Sarin	7.75
Mr. Praveen P. Kadle	7.00
Mr. Rajendra Jain	5.50
Mr. Sudarshan V. Somani	6.25
Mr. Arun Kumar Sureka	9.25
Mr. Virendraa Bangur	7.00
Ms. Veni Mocherla	5.50
TOTAL	48.25

Apart from the above, there were no other pecuniary relationships or transactions between the Company and any of its Non-Executive and/or Independent Directors, during the year.

b. Criteria of making payments to Non-Executive Directors

The Board of Directors at its meeting held on January 28, 2020 approved to pay all Non-Executive Directors including Independent Directors, a sitting fees of Rs.1,00,000 per meeting for attending the Board Meeting and Rs. 75,000 per meeting for attending the Meetings of Committees of Board with effect from January 28, 2020.

c. Disclosure with respect to remuneration

Sitting fees was paid to all Non-Executive Directors for attending the Board/Committee Meetings held during the financial year 2021-22.

The Executive Directors were appointed for three years and the service is terminable by giving three month's notice on either side. No severance fees is payable to Directors.

The details of remuneration paid to Executive Directors for the financial year 2021-22:

Particulars of Remuneration	Name of Executive Director			
	Mr. Mukesh Jain (From November 10, 2021)	Mr. Saurabh Bangur	Mr. Shree Kumar Bangur	Mr. Anish T. Mathew (up to November 9, 2021)
Gross salary				
a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	27.77	140.21	0	55.27
b. Value of perquisites under Section 17(2) of the Income-tax Act, 1961	0	0	0	0
TOTAL	27.77	140.21	0	55.27

The Company did not issue any stock options during the year.

8. General Body Meetings

a. The location and time of the last three Annual General Meetings held

Year ended	Date and time	Venue
March, 2019	August 1, 2019 at 12.30 P.M.	Cherukuri Veerraju Subbalakshmi Convention Center, Jawaharlal Nehru Road, Rajahmundry -533 103
March, 2020	September 21, 2020 at 11.00 A.M.	Through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")
March, 2021	August 12, 2021 at 12.00 Noon	Through Video Conferencing ("VC")/Other Audio Visual Means ("OAVM")

b. Special Resolutions passed in the previous three Annual General Meetings

Date	Description of Special Resolutions passed
August 1, 2019	<ol style="list-style-type: none"> Re-appointment of Mr. M.S. Ramachandran as an Independent Director for a second term of three consecutive years from April 1, 2019 to March 31, 2022. Re-appointment of Mr. Praveen P. Kadle as an Independent Director for a second term of three consecutive years from April 1, 2019 to March 31, 2022. Re-appointment of Mr. Adhiraj Sarin as an Independent Director for a second term of three consecutive years from April 1, 2019 to March 31, 2022. Re-appointment of Mr. Milind Sarwate as an Independent Director for a second term of three consecutive years from April 1, 2019 to March 31, 2022.
September 21, 2020	<ol style="list-style-type: none"> Appointment of Mr. Shree Kumar Bangur as a Director and Chairman & Managing Director for a period of 3 years from October 30, 2019 to October 29, 2022 and to continue to hold such directorship post attaining the age of seventy (70) years, without any remuneration. Appointment of Mr. Anish T. Mathew as a Director and Whole-Time Director of the Company, designated as Director - Commercial & Chief Financial Officer, for a period of three years from October 30, 2019 to October 29, 2022. Appointment of Mr. Saurabh Bangur as a Director and Joint Managing Director for a period of three years from June 1, 2020 to May 31, 2023.
August 12, 2021	- NIL -

c. Three Special Resolutions were passed through postal ballot during the financial year ended March 31, 2022:

Particulars	Appointment of Mr. Mukesh Jain (DIN: 09380039) as Whole-Time Director w.e.f. November 10, 2021	Appointment of Mr. Virendra Sinha (DIN: 03113274) as an Independent Director w.e.f. April 1, 2022	Appointment of Mr. Sitaram Sharma (DIN: 01298299) as an Independent Director w.e.f. April 1, 2022
	Date of Postal Ballot Notice	December 10, 2021	January 31, 2022
Voting Period	December 31, 2021 to January 29, 2022	February 25, 2022 to March 26, 2022	February 25, 2022 to March 26, 2022
Date of Approval	January 29, 2022	March 26, 2022	March 26, 2022
Date of Declaration of Results	February 01, 2022	March 28, 2022	March 28, 2022
Type of Resolution	Special	Special	Special
No. of Votes polled	3,30,85,177	3,26,67,880	3,26,67,880
Votes cast in favour –			
- No. of Votes	3,30,84,741	3,26,67,808	3,26,67,833
- % of votes	99.9987	99.9998	99.9999
Votes cast against –			
- No. of Votes	436	72	47
- % of votes	0.0013	0.0002	0.0001

- d. Mr. D. Hanumanta Raju, Partner, M/s. D Hanumanta Raju & Co., Company Secretaries, B-13, F-1 & F-2, P.S. Nagar, Vijaynagar Colony, Hyderabad – 500 057, was appointed as the Scrutinizer for carrying out the above postal ballots in a fair and transparent manner.
- e. At present no special resolution is proposed to be conducted through postal ballot. The procedure laid down in Companies (Management and Administration) Rules, 2014 would be followed as and when necessary.

9. Means of Communications

Quarterly, half-yearly and annual financial results are usually published in Business Standard (English Version) and vernacular regional newspaper viz. Andhra Prabha. The results are placed on the Company's website: www.andhraper.com.

Official news releases and interactions or presentations made to media, analysts, institutional investors etc., are being displayed on the website of the Company.

10. General Shareholder Information

a. Date, Time and Venue of Annual General Meeting

	Date & time	Venue
58th Annual General Meeting	Friday, August 12, 2022 at 11.30 A.M. (IST)	Through Video Conferencing / Other Audio Visual Means

b. Financial calendar – (Tentative and subject to change)

Financial year: April 1, 2022 to March 31, 2023

Particulars	Period ended	On or before
Unaudited Financial Results for the quarter ending	June 30, 2022	August 14, 2022
Unaudited Financial Results for the quarter ending	September 30, 2022	November 14, 2022
Unaudited Financial Results for the quarter ending	December 31, 2022	February 14, 2023
Audited Financial Results for the year ending	March 31, 2023	May 30, 2023
Annual General Meeting for the year ending	March 31, 2023	September 30, 2023
Details of Record Date	Friday, August 5, 2022	
Details of payment of Dividend on equity shares	Within 30 days from the date of declaration	

c. Listing on stock exchanges

BSE Limited (BSE) P. J Towers, Dalal Street, Mumbai – 400 001	National Stock Exchange of India Limited (NSE) “Exchange Plaza” Bandra-Kurla Complex Bandra (East), Mumbai – 400 051
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The Company paid the Annual Listing fees for the financial year 2022-23 to BSE and NSE

d. Stock Code

BSE	502330	
NSE	Symbol : ANDHRAPAP	Series :EQ
ISIN (for Dematerialization)	INE435A01028	

e. The details of monthly high and low quotations of the equity shares of the Company traded on the stock exchanges are given below:

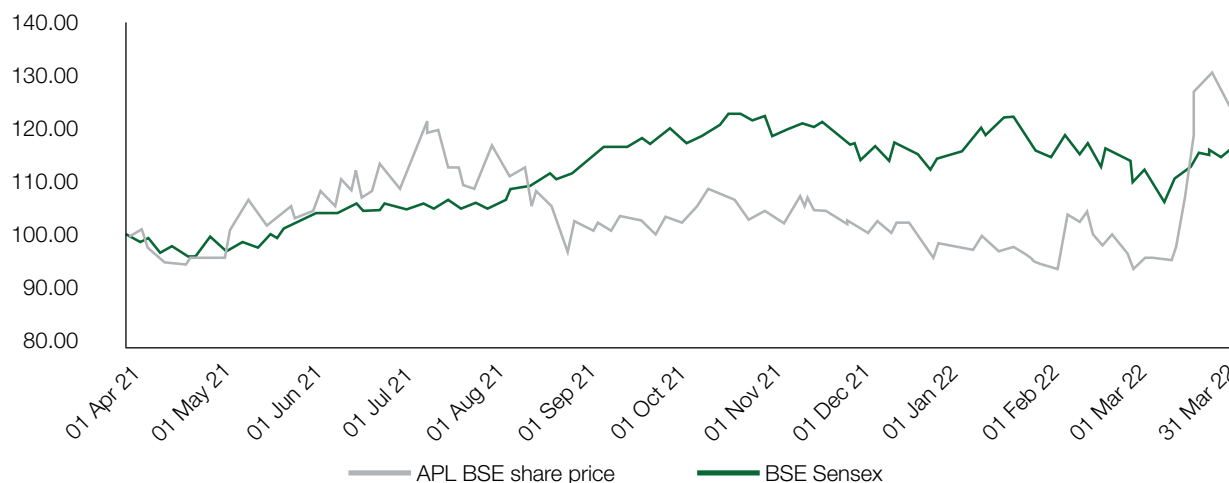
i. BSE

Month	Share Price Rs.		BSE Sensex			
	High	Low	High	Low		
2021	April	229.10	202.20	50,375.77	47,204.50	
	May	245.00	212.00	52,013.22	48,028.07	
	June	264.95	229.40	53,126.73	51,450.58	
	July	283.60	240.80	53,290.81	51,802.73	
	August	264.65	215.05	57,625.26	52,804.08	
	September	240.40	216.75	60,412.32	57,263.90	
	October	249.95	223.55	62,245.43	58,551.14	
	November	244.00	216.00	61,036.56	56,382.93	
	December	234.25	211.00	59,203.37	55,132.68	
	2022	January	231.05	205.00	61,475.15	56,409.63
		February	242.60	201.10	59,618.51	54,383.20
		March	310.00	208.85	58,890.92	52,260.82

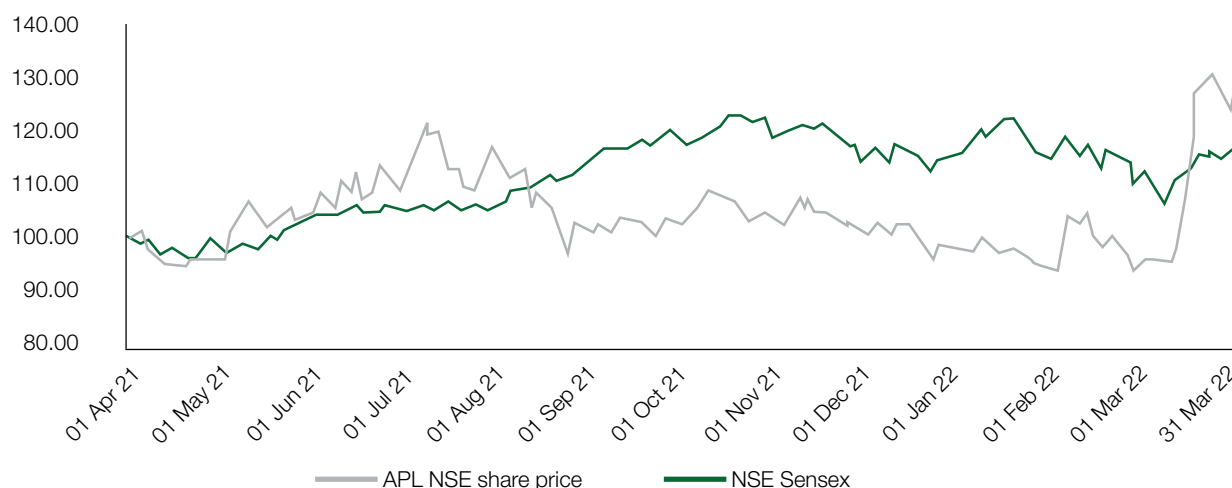
ii. NSE

Month	Share Price Rs.		NIFTY 50			
	High	Low	High	Low		
2021	April	230.95	203.65	15,044.35	14,151.40	
	May	244.00	212.00	15,606.35	14,416.25	
	June	265.25	229.05	15,915.65	15,450.90	
	July	283.70	240.90	15,962.25	15,513.45	
	August	264.65	214.85	17,153.50	15,834.65	
	September	239.40	217.20	17,947.65	17,055.05	
	October	250.10	223.55	18,604.45	17,452.90	
	November	244.70	216.95	18,210.15	16,782.40	
	December	235.00	209.75	17,639.50	16,410.20	
	2022	January	230.75	205.15	18,350.95	16,836.80
		February	244.75	207.85	17,794.60	16,203.25
		March	304.45	208.60	17,559.80	15,671.45

f.1 Performance of share price of the Company in comparison to BSE Sensex



Note: Andhra Paper share price and S&P BSE Sensex (Sensex) values as on April 1, 2021 have been baselined to 100

f.2 Performance of share price of the Company in comparison to NSE NIFTY

Note: Andhra Paper share price and NSE Nifty 50 index values as on April 1, 2021 have been baselined to 100

g. The securities of the Company have not been suspended from trading during the financial year ended March 31, 2022

h. Registrar and Share Transfer Agent

KFin Technologies Limited
 Corporate Registry
 Selenium, Tower- B, Plot No 31 & 32, Gachibowli,
 Financial District, Nanakramguda, Serilingampally Mandal
 Hyderabad – 500 032
 Toll Free No.: (India) 1-800-309-4001
 Email : einward.ris@kfintech.com
 Contact Person: Mr. Praveen Chaturvedi – Vice President – Corporate Registry

i. Share Transfer System

All activities in relation to share transfer facility as per Regulation 7(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, are being maintained by Registrar and share transfer agent KFin Technologies Limited.

As per proviso to Regulation 40(1) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, securities cannot be transferred unless they are held in dematerialized form with a depository. Further SEBI vide its Circular SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 mandated that transmission, transposition, duplicates, renewal, exchange, sub-division, splitting, consolidation shall be effected only in dematerialize form.

The average time taken for processing the service request is approximately 10 days from the date of receipt of a valid request.

j. Distribution of Equity Shareholding as on March 31, 2022

Nominal Value of Equity shares Rs.	Shareholders		Value	
	Number	%	Rs.	%
1 - 5000	13,645	92.33	1,10,65,270	2.78
5001 - 10000	567	3.84	44,15,250	1.11
10001 - 20000	263	1.78	37,90,000	0.96
20001 - 30000	88	0.59	22,75,280	0.57
30001 - 40000	44	0.30	15,99,620	0.40
40001 - 50000	34	0.23	15,99,630	0.40
50001 - 100000	59	0.40	45,16,560	1.14
100001 and above	78	0.53	36,84,38,780	92.64
TOTAL	14,778	100.00	39,77,00,390	100.00

Category of equity shareholders as on March 31, 2022

S. No.	Category	Shares	%
(A)	PROMOTERS		
	Bodies Corporate	2,87,13,400	72.20
	Promoter Shareholding (A)	2,87,13,400	72.20
(B)	PUBLIC		
1	Mutual Funds	34,13,708	8.58
2	Resident Individuals	43,94,788	11.05
3	Bodies Corporates	24,51,811	6.16
4	H U F	1,93,973	0.49
5	Insurance Companies	2,34,387	0.59
6	Investor Education and Protection Fund	1,06,013	0.27
7	Clearing Members	1,04,975	0.26
8	Non-Resident Indians	67,214	0.17
9	Trusts	13,599	0.03
10	Foreign Portfolio – Corp	75,565	0.19
11	Others	606	0.01
	Public Shareholding (B)	1,10,56,639	27.80
	Grand Total (A+B)	3,97,70,039	100.00

k. Dematerialization of shares as on March 31, 2022

Depository name	No. of shares dematerialized	Percentage of equity share capital
National Securities Depository Limited	3,67,00,717	92.28
Central Depository Services (India) Limited	28,87,052	7.26
Total dematerialized shares	3,95,87,769	99.54

l. No GDRs, ADRs/warrants/convertible instruments have been issued by the Company during the year

m. **Commodity price risk or foreign exchange risk and hedging activities:** Furnished under the head 'Risks and Concerns' in Management Discussion & Analysis

n. Plant Locations

Unit: Rajahmundry	Unit: Kadiyam
Rajahmundry - 533 105 East Godavari District Andhra Pradesh, India	Industrial Area, Near Kadiyam Railway Station, M.R.Palem - 533 126, Kadiyam Mandal, East Godavari District, Andhra Pradesh, India

o. Address for Correspondence from shareholders

KFin Technologies Limited Selenium, Tower - B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally District, Hyderabad – 500 032, Telangana, India	Secretarial Department Andhra Paper Limited Rajahmundry – 533 105 East Godavari District, Andhra Pradesh, India
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p. As there are no debt instruments and no fixed deposits are invited involving mobilization of funds, the Company has not obtained any rating during the year. However, the Company continues to enjoy good credit rating of CARE AA-with stable outlook (long term facilities) and CARE A1+ (short term facilities)

11. Other Disclosures

a. Disclosure on materially significant related party transactions

During the financial year, there were no materially significant related party transactions that have potential conflict with the interests of the Company at large. The Policy on Related Party Transactions is posted on the Company's website viz., www.andhrpaper.com

b. Details of penalties imposed on the Company

There were no penalties, strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to capital markets during the last three years

c. Whistle Blower Policy

The Company has formulated Whistle Blower Policy and established a mechanism for directors and employees to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct and Ethics Policy. This mechanism provides for adequate safeguards against victimization of director(s)/ employee(s) who avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. The Whistle Blower Policy is posted on the Company's website viz., www.andhrpaper.com

d. Details of compliance with mandatory requirements and adoption of non-mandatory requirements

The Company has complied with all mandatory requirements specified in SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Non-Mandatory/Discretionary requirements

1. **Shareholder Right:** This will be considered for adoption in future
2. **Audit Qualifications:** The Company is already in the regime of unqualified financial statements. Auditors have raised no qualification on the financial statements of the current financial year
3. **Separate posts of Chairperson and the Managing Director or the Chief Executive Officer:** This will be considered for adoption in the future
4. **Reporting of Internal Auditor:** External consultancy firm was appointed as Internal Auditor of the Company which reports directly to the Audit Committee

e. There were no material subsidiaries during the year. The Policy on material Subsidiaries is placed on the Company's website at www.andhrpaper.com

f. The Policy on Related Party Transactions is placed on the Company's website at www.andhrpaper.com

g. No funds were raised through preferential allotment or qualified institutions placements during the year

h. A Certificate dated April 26, 2022 from M/s. D. Hanumanta Raju & Co., Company Secretaries, a Company Secretary in practice, confirming that none of the Directors of the Company has been debarred or disqualified from being appointed or continuing as Director of company by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such Statutory Authority has been received. The certificate is annexed.

i. None of recommendations of any Committee of the Board which are mandatorily required was rejected by the Board during the year

j. Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors and all entities in the network firm/network entity of which the statutory auditors is a part is Rs.74.18 lakhs

k. During the year, no complaint was filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013

l. During the year, neither the Company nor its subsidiaries has granted any loan(s) to firms/ companies in which directors are interested

12. There were no non-compliance of requirements of Corporate Governance during the year

13. The Company has complied with corporate governance requirements as specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46. A certificate from Practicing Company Secretary on compliance of conditions of Corporate Governance is annexed

14. Code of Conduct for Directors and members of senior management

The Company adopted a Code of Business Conduct and Ethics for its Directors and members of senior management. The Code has also been posted on the Company's website: www.andhrpaper.com. The Chairman & Managing Director has given a declaration that all the Directors and members of senior management have affirmed compliance with the Code of Conduct. The declaration is annexed.

15. CEO/CFO Certification

A certificate duly signed by Chairman & Managing Director and Director - Commercial & Chief Financial Officer relating to financial statements and internal controls and internal control systems for financial reporting as per the format provided in Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 was placed before the Board and the same was taken on record. The certificate is annexed.

16. Equity shares in the Unclaimed Shares Demat Suspense Account

In terms of Regulation 39 (4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company opened a demat account and dematerialized the unclaimed shares. The Company is maintaining the details of shareholding of each individual allottee whose shares are credited to the Unclaimed Shares Demat Suspense Account.

The particulars of shares in "Andhra Paper Limited – Unclaimed Shares Demat Suspense Account" as on March 31, 2022 were as follows:

Particulars	Number of shareholders	No. of equity shares
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Shares Demat Suspense Account at the beginning of the year	2	26
Number of shareholders who approached the issuer for transfer of shares from the Unclaimed Shares Demat Suspense Account during the year	-	-
Number of shareholders to whom shares were transferred from the Unclaimed Shares Demat Suspense Account during the year	-	-
Aggregate number of shareholders and the outstanding shares lying in the Unclaimed Shares Demat Suspense Account as on March 31, 2022	2	26

The voting rights on the shares outstanding in the suspense account shall remain frozen till the rightful owners of such shares claim the shares.

Appendix - 1

Skills and attributes identified by Board of Directors

Sl. No.	Skills	Experience	Attributes
1	Practical wisdom and good judgment	Specialized knowledge in specific area	Highest personal and professional ethical standards and honesty.
2	Financial literacy – ability to read and understand a financial statement	Detailed knowledge of the industry or relevant industrial experience	Integrity, independence and free from conflict of interest.
3	Specialized professional skills viz. operations, finance, human resources, marketing, legal, corporate governance etc.	Expertise on global issues	An enquiring and independent mind.
4	Director Education - a clear understanding of the role and duties of a director and knowledge of code of conduct and business ethics.	High visibility in the field	Commitment to improve business, its continued well-being and making a difference.
5	Good interpersonal skills and ability to communicate clearly.	Leadership and Management experience	Willingness to represent the best interests of all stakeholders and objectively appraise the Board and Management performance.
6	Decision Maker- explore options and choosing those that have the significant benefit to the organization and its performance.	International Experience	Critical analysis and Judgment.
7	Risk Management	Personal networks and external contacts	Vision, imagination and foresight.
8	Interpersonal sensitivity – a willingness to keep an open mind and recognize other perspectives.		Strategic perspectives, able to identify opportunities and threats.
9	Ability to mentor other directors		Innovator – a willingness to challenge Management and their assumptions, stimulate Board discussion with new, alternative insights and ideas.
10	Agility to move from advisor to challenger as well as being a strong supportive voice one needed.		Motivation – drive and energy to set and achieve clear objectives and make an impact.
11	Advisory Skills		Clear personal commitment. Full participation and pro- active as a Board Member. Willingness to deal with tough issues. Maturity and discipline to know and maintain fine line between governance and management oversight.

Directors of the Company and their areas of expertise is provided hereunder

Name of the Director	Category	Areas of expertise/ competence (as per above provided list)
S.K. Bangur	Chairman & Managing Director	1 to 11
Virendraa Bangur	Non-Executive, Vice-Chairman	1 to 11
Saurabh Bangur	Joint Managing Director	1 to 11
Rajendra Jain	Non-Executive Director	1 to 11
Praveen P. Kadle	Independent Director	1 to 11
Adhiraj Sarin	Independent Director	1 to 11
Arun Kumar Sureka	Independent Director	1 to 11
Sudarshan V. Somani	Independent Director	1 to 11
Veni Mocherla	Independent Director	1 to 11
Mukesh Jain	Director – Commercial	1 to 11

Declaration by the Chairman & Managing Director on code of conduct

The Members of
Andhra Paper Limited

In compliance with the Regulation 34 (3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, I confirm that, on the basis of confirmations/declarations received, all the Members of the Board of Directors and senior management personnel of the Company have complied with the Code of Business Conduct and Ethics framed by the Company for the financial year ended March 31, 2022.

Place: Hyderabad
Date: June 22, 2022

Shree Kumar Bangur
Chairman & Managing Director

CERTIFICATE

To
The Members of
Andhra Paper Limited

We have examined the compliance of conditions of Corporate Governance by Andhra Paper Limited ("the Company"), for the year ended on March 31, 2022, as stipulated in Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us by the Directors, officers and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

Place: Hyderabad
Date: 26/04/2022

For **D. HANUMANTA RAJU & CO**
COMPANY SECRETARIES

CS D. HANUMANTA RAJU
PARTNER
FCS: 4044, CP NO: 1709
UDIN: F004044D000206818
PR NO: 699/2020

**Compliance Certificate from Director – Commercial and CMD
in terms of Regulation 17 (8) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Audit Committee &
The Board of Directors,
Andhra Paper Limited,
Rajahmundry – 533 105
East Godavari District, A.P. India.

Dear Sirs,

We certify that:

- A. We have reviewed the financial statements and the cash flow statement for the year and that to the best of their knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (2) these statements together present a true and fair view of the listed Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- D. We have indicated to the Auditors and the Audit Committee
- (1) significant changes in internal controls over financial reporting during the financial year 2021-22;
 - (2) significant changes in accounting policies during the financial year 2021-22 and that the same have been disclosed in the notes to the financial statements; and
 - (3) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

MUKESH JAIN
DIRECTOR – COMMERCIAL

SHREE KUMAR BANGUR
CHAIRMAN & MANAGING DIRECTOR

Place: Rajahmundry
Date: May 2, 2022

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of
Andhra Paper Limited
Rajahmundry – 533 105,
East Godavari District,
Andhra Pradesh.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **ANDHRA PAPER LIMITED** having CIN:L21010AP1964PLC001008 and having registered office at Rajahmundry, East Godavari District, Andhra Pradesh– 533105 (hereinafter referred to as ‘the Company’), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of Companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority.

Sr. No	Name of Director	DIN	Date of Appointment in Company
1.	Mr. Praveen Purushottam Kadle *	00016814	25.01.2012
2.	Mr. Shree Kumar Bangur	00053237	30.10.2019
3.	Mr. Arun Kumar Sureka	00055934	30.10.2019
4.	Mr. Sudarshan Vijaynarain Somani	00137568	30.10.2019
5.	Mr. Adhiraj Amar Sarin*	00140989	06.12.2011
6.	Mr. Saurabh Bangur	00236894	01.06.2020
7.	Mr. Virendraa Bangur	00237043	30.12.2019
8.	Mr. Rajendra Jain	07250797	30.10.2019
9.	Ms. Veni Mocherla	08082163	30.12.2019
10.	Mr. Mukesh Jain	09380039	10.11.2021

* Retired as Independent Director upon completion of their term w.e.f 31.03.2022

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **D. HANUMANTA RAJU & CO**
COMPANY SECRETARIES

CS D. HANUMANTA RAJU
PARTNER
FCS: 4044, CP NO: 1709
UDIN: F004044D000206840
PR NO: 699/2020

Place: Hyderabad
Date: 26/04/2022

INDEPENDENT AUDITOR'S REPORT

To
The Members of
ANDHRA PAPER LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Andhra Paper Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements

under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Emphasis of Matter

We draw attention to Note 47 of the financial statements regarding the ongoing litigation with respect to the levy of electricity duty by the State Government on consumption of electricity by captive generating units and the interim orders of the Hon'ble Supreme Court of India on hearing the Special Leave Petition filed by the Company, in respect of which the Company on grounds of prudence and abundant caution created a provision amounting to ₹ 2,357.43 lakhs during the year ended March 31, 2017, in view of the inherent uncertainty in predicting the final outcome of the above litigation. Additionally, an amount of ₹ 1,571.62 lakhs has been disclosed as contingent liability. Based on the legal advice obtained, in the opinion of the Management no further provision would be required in relation to this disputed matter.

Our report is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter

Provisions and Contingent Liabilities (including income tax)

Refer Note 2C (e), 22, 23 and 33A, in the financial statements for the related disclosures.

The Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its reliable estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty.

Auditor's Response

We obtained an understanding and evaluated the design and implementation and operating effectiveness of relevant controls of management's process to identify new obligations and changes in existing obligations for compliance with Ind AS 12 – Income taxes and Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets.

We analysed significant changes in material provisions from prior periods and obtained a detailed understanding of these changes and assumptions applied.

Our audit procedures related to material provisions recognised and contingent liabilities disclosed in the financial statements included:

- Assessment of the recognition criteria for the liability;

Key Audit Matter	Auditor's Response
<p>Due to the level of judgement relating to recognition, valuation and presentation of provisions and contingent liabilities, this is considered to be a key audit matter.</p>	<ul style="list-style-type: none"> • Evaluation of the methodology adopted by management for the measurement of the liability; • Assessment of the other key measurement assumptions and inputs. • We have requested for confirmations from the legal counsel of the Company representing the litigation matters of the Company at applicable forums and performed alternative procedures where confirmations were not received. • We reviewed the minutes of the Board meetings including other committees. • Testing of the mathematical accuracy of the measurement calculation; • We have involved our internal experts with regard to direct and indirect taxes, and they have also considered the legal precedence and other rulings in evaluating management position on the uncertain tax matters. • We assessed the appropriateness of the presentation of the most significant contingent liabilities in the financial statements.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information report is expected to be made available to us after the date of this auditor's report.

Our opinion on the financial statements does not cover the other information and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's responsibilities Relating to Other Information'.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the Company to express an opinion on the financial statements.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:
 - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of accounts.
 - d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
 - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and

the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
 - iv. (a) The Management has represented that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(b) The Management has represented, that, to the best of its knowledge and belief, as disclosed in the notes to accounts, no funds (which are material either individually or in the aggregate) have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(c) Based on the audit procedures that has been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

- v. The final dividend proposed in the previous year, declared and paid by the Company during the year is in accordance with section 123 of the Act, as applicable.

As stated in note 16.3 to the financial statements, the Board of Directors of the Company have proposed final dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The amount of dividend proposed is in accordance with Section 123 of the Act, as applicable.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells**
Chartered Accountants
(F.R. N. 008072S)

Sumit Trivedi
Partner

Place: Hyderabad
Date: May 5, 2022

(Membership No. 209354)
UDIN: 22209354AILPJD1425

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Andhra Paper Limited (“the Company”) as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor’s Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to

error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for

internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells**
Chartered Accountants
(F.R. N. 008072S)

Sumit Trivedi
Partner

Place: Hyderabad
Date: May 5, 2022

(Membership No. 209354)
UDIN: 22209354AILPJD1425

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 2 under ‘Report on Other Legal and Regulatory Requirements’ section of our report of even date)

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (i) (a) A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment, Capital work-in-progress and relevant details of right-of-use assets.
- B. The Company has maintained proper records showing full particulars of intangible assets.
- (b) The Company has a program of verification of property, plant and equipment, Capital work-in-progress and right-of-use assets so as to cover all the items in a phased manner over a period of three years, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain Property, Plant and Equipment were due for verification during the year and were physically verified by the Management during the year except Land, which has been verified subsequent to the year end. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) Based on the examination of the registered sale deed / transfer deed provided to us, we report that, the title deeds, comprising all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in property, plant and equipment and capital work-in progress are held in the name of the Company as at the balance sheet date.
- (d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii) (a) The inventories except for goods-in-transit, were physically verified during the year by the Management at reasonable intervals. In our opinion and based on information and explanations given to us, the coverage and procedure of such verification by the Management is appropriate

having regard to the size of the Company and the nature of its operations. In respect of goods in-transit, the goods have been received subsequent to the year end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification of inventories when compared with books of account.

- (b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, at points of time during the year, from banks or financial institutions on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly returns or statements comprising stock statements and other stipulated financial information filed by the Company with such banks or financial institutions are in agreement with the unaudited books of account of the Company of the respective quarters.
- (iii) The Company has made investments in, and granted loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties during the year, in respect of which:

- (a) The Company has provided loans or advances in the nature of loans during the year and details of which are given below:

	Loans (₹ in lakhs)
A. Aggregate amount granted / provided during the year:	
- Others	10,135
B. Balance outstanding as at balance sheet date in respect of above cases:	
- Others	10,295

The Company has not provided any guarantee or security to any other entity during the year.

- (b) The investments made and the terms and conditions of the grant of all the above-mentioned loans and advances in the nature of loans, during the year are in our opinion, prima facie, not prejudicial to the Company’s interest.

The Company has not provided any guarantee or security to any other entity during the year.

- (c) In respect of loans granted or advances in the nature of loans provided by the Company, the schedule of repayment

- of principal and payment of interest has been stipulated and the repayments of principal amounts and receipts of interest are regular as per stipulation.
- (d) According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted and advances in the nature of loans provided by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
- (e) None of the loans or advances in the nature of loans granted by the Company have fallen due during the year.
- (f) According to information and explanations given to us and based on the audit procedures performed, the Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause (iii)(f) of the Order is not applicable.
- (iv) The Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of the investments made and the loans / Inter-Corporate deposits given. The Company has not provided guarantees and securities.
- (v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.
- (vi) The maintenance of cost records has been specified by the Central Government under Section 148(1) of the Companies Act, 2013. We have broadly reviewed the books of account maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained by the Company. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- (vii) According to the information and explanations given to us, In respect of statutory dues:
- (a) Undisputed statutory dues, including Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to the Company, have generally been regularly deposited by it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

- (b) Details of statutory dues referred to in sub-clause (a) which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount Involved (₹ lakhs)	Amount Unpaid (₹ lakhs)
Income Tax Act, 1961	Tax	Commissioner of Income Tax (Appeals), Visakhapatnam	2010-11 and 2011-12	17.34	17.34
		High Court of Andhra Pradesh	2001-02 to 2003-04	12.64	12.64
	Interest	Income Tax Appellate Tribunal, Hyderabad	2001-02 to 2008-09	14.26	14.26
		High Court of Andhra Pradesh	1979-80	40.08	40.08
Central Sales Tax Act, 1956	Tax	Appellate Deputy Commissioner, Visakhapatnam	2008-09	21.54	21.54
		Appellate Deputy Commissioner, Vijayawada	2014-15 to 2015-16	56.12	49.46
		Sales Tax Appellate Tribunal, Visakhapatnam	2005-06	33.82	16.53
Andhra Pradesh General Sales Tax Act, 1957 & Central Sales Tax Act, 1956	Tax	Sales Tax Appellate Tribunal, Visakhapatnam	1995-96 to 1999-2000	27.41	27.41
Andhra Pradesh General Sales Tax Act, 1957	Tax	High Court of Andhra Pradesh	1990-99, and 2000-05	126.78	126.78
		Sales Tax Appellate Tribunal, Visakhapatnam	1996-97	10.82	6.58

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount Involved (₹ lakhs)	Amount Unpaid (₹ lakhs)	
AP Value Added Tax Act, 2005	Penalty	Assistant Commissioner, LTU, Kakinada	2009-2012	15.72	15.68	
	Tax	Sales Tax Appellate Tribunal, Visakhapatnam	2009 - 2012	23.66	11.84	
	Tax	Appellate Deputy Commissioner, Vijayawada	2015-16 to 2017	117.91	72.87	
	Penalty	Appellate Deputy Commissioner, Vijayawada	2015-16 to 2017	11.79	5.89	
	Penalty	Assistant Commissioner, LTU, Kakinada	2016-17	13.91	13.91	
Madhya Pradesh Value Added Tax Act, 2002	Tax	High Court, Madhya Pradesh	1997-98	15.00	15.00	
West Bengal Value Added Tax, 2005	Tax	Additional Commissioner of Commercial Taxes	2009-10	1.78	1.78	
Kerala Value Added Tax, 2003	Tax & Interest	Joint Commissioner (Appeals), Ernakulam	2016-17	40.18	34.48	
Orissa Entry Tax Act, 1999	Tax	Deputy Commissioner of Commercial Taxes	2006-07 to 2009-10	4.24	3.38	
Central Excise Act, 1944	Duty	High Court of Andhra Pradesh	1996-97 and 1997-98	10.90	10.90	
			February, 1994	0.36	0.36	
	Duty & Penalty	Customs, Excise & Service Tax Appellate Tribunal, Hyderabad	2001 to 2012	1,538.33	1,538.33	
			2005-06 to 2008-09	1,394.11	1,394.11	
		Commissioner of Central Excise (Appeals), Visakhapatnam	2006	140.36	140.36	
	High Court of Andhra Pradesh	2000-01 to 2007-08	385.15	385.15		
Finance Act, 1994	Service Tax & Penalty	Commissioner of Central Excise (Appeals), Visakhapatnam	2004-05 to 2012-13	337.19	337.19	
			Customs, Excise & Service Tax Appellate Tribunal, Bangalore	March, 2012	105.11	105.11
Andhra Pradesh Forest Act, 1957	Bamboo Royalty Interest	High Court of Andhra Pradesh	1988-89	283.35	183.35	
			Oct 1980 to March 1986	1,561.31	1,561.31	
Andhra Pradesh Municipal Laws (Second amendment) Act 2020	Property Tax & Interest	IInd Additional Junior Civil Judge, Rajamahendravaram	2016-17 to 2018-19	116.64	116.64	
			High Court of Andhra Pradesh	2007-08 to 2021-22	491.76	289.80
Employees' Provident Funds & Miscellaneous Provisions Act, 1952	Provident Fund	Central Government Industrial Tribunal Cum Labour Court, Hyderabad	March 2007 to October 2009	27.30	4.63	
Andhra Pradesh Municipal Laws (Second amendment) Act 2020	Vacant Land Tax	High Court of Andhra Pradesh	2001-02 to 2012-13	505.58	265.87	
Electricity Act 2003	Electricity Duty	Supreme Court	July 2003 to June 2013	3,929.05	2,427.00	

- (viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.
- (ix) (a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year.
- (b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.
- (c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.
- (e) The Company has not made any investment in or given any new loan or advances to any of its subsidiaries, associates or joint ventures during the year and hence, reporting under clause (ix)(e) of the Order is not applicable.
- (f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.
- (x) (a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
- (b) During the year, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
- (xi) (a) To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
- (b) To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year.
- (c) We have taken into consideration the whistle blower complaints received by the Company during the year and provided to us, when performing our audit.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion, the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable Indian accounting standards.
- (xiv) (a) In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
- (b) We have considered, the internal audit reports issued to the Company on certain scoped in areas during the year and covering the period upto January 2022 and the draft of the internal audit reports for certain other scoped in areas, were issued after the balance sheet date covering the period January 2021 to December 2021 for the period under audit.
- (xv) In our opinion, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding company, subsidiary company or persons connected with such directors and hence provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company. The Company does not have an associate company.
- (xvi) (a,b,c) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable.
- (d) The Group does not have any CIC as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
- (xvii) The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors of the Company during the year.
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further

state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) There are no unspent amounts towards Corporate Social Responsibility (CSR) on other than ongoing projects requiring a transfer to a Fund specified in Schedule VII to the Companies Act in compliance with second proviso to sub-section (5) of Section 135 of the said Act. Accordingly, reporting under clause (xx)(a) of the Order is not applicable for the year.
- (b) In respect of ongoing projects, the Company has transferred unspent Corporate Social Responsibility (CSR) amount, to

a Special account before the date of this report and within a period of 30 days from the end of the financial year in compliance with the provision of section 135(6) of the Act.

For **Deloitte Haskins & Sells**
Chartered Accountants
(F.R. N. 008072S)

Sumit Trivedi
Partner

Place: Hyderabad
Date: May 5, 2022

(Membership No. 209354)
UDIN: 22209354AILPJD1425

BALANCE SHEET

as at March 31, 2022

(₹ in lakhs)

Particulars	Note	As at March 31, 2022	As at March 31, 2021
A ASSETS			
Non-current assets:			
(a) Property, plant and equipment	3	57,341.85	60,551.94
(b) Right-of-use assets	4	841.35	1,131.90
(c) Capital work-in-progress	3	767.65	755.01
(d) Intangible assets	4a	318.22	179.58
(e) Intangible assets under development	4a	-	143.83
(f) Financial assets			
(i) Investments	5	13,822.92	10,729.50
(ii) Loans	6	-	400.00
(iii) Other financial assets	7	426.27	385.09
(g) Other non-current assets	8	3,761.10	3,405.30
Total non-current assets		77,279.36	77,682.15
Current assets:			
(a) Inventories	9	14,508.75	16,430.88
(b) Financial assets			
(i) Investments	5	24,446.05	11,196.00
(ii) Trade receivables	10	10,255.17	7,559.64
(iii) Cash and cash equivalents	11	2,453.92	1,529.43
(iv) Other bank balances	12	3,027.14	6,627.90
(v) Loans	6	10,439.34	6,196.56
(vi) Other financial assets	7	482.06	335.31
(c) Other current assets	8	6,770.15	5,533.24
		72,382.58	55,408.96
Assets classified as held for sale	14	129.68	167.80
Total current assets		72,512.26	55,576.76
TOTAL ASSETS		1,49,791.62	1,33,258.91
B EQUITY AND LIABILITIES			
Equity:			
(a) Equity share capital	15	3,977.00	3,977.00
(b) Other equity	16	1,05,432.24	93,544.51
Total equity		1,09,409.24	97,521.51
LIABILITIES			
Non-current liabilities:			
(a) Financial liabilities			
(i) Borrowings	17	786.36	717.71
(ia) Lease liabilities	19	794.28	810.31
(ii) Other financial liabilities	21	174.28	232.37
(b) Provisions	22	141.86	51.00
(c) Deferred tax liabilities (net)	24	8,100.62	8,834.72
Total non-current liabilities		9,997.40	10,646.11
Current Liabilities:			
(a) Financial liabilities			
(i) Borrowings	18	4,140.43	2,340.43
(ia) Lease liabilities	19	137.63	493.65
(ii) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	20	2,557.21	1,470.67
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	20	13,710.30	11,566.87
(iii) Other financial liabilities	21	3,561.24	3,115.43
(b) Provisions	22	3,586.97	3,448.09
(c) Other current liabilities	23	2,619.03	2,557.67
(d) Current tax liabilities (net)	13	72.17	98.48
Total current liabilities		30,384.98	25,091.29
Total liabilities		40,382.38	35,737.40
TOTAL EQUITY AND LIABILITIES		1,49,791.62	1,33,258.91
Corporate information & significant accounting policies	1 & 2		
See accompanying notes forming part of the financial statements			

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants

(F.R.N. 008072S)

Sumit Trivedi

Partner

Place: Hyderabad

Date: May 05, 2022

For Andhra Paper Limited**Saurabh Bangur**

Joint Managing Director

Mukesh Jain

Director (Commercial) & CFO

Place: Rajahmundry

Date: May 05, 2022

S. K. Bangur

Chairman & Managing Director

Aravind Kumar Matta

Company Secretary &

Vice President (Corporate Affairs)

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2022

(₹ in lakhs)

Particulars	Note	Year ended March 31, 2022	Year ended March 31, 2021
1 Income:			
(a) Revenue from operations	25	1,38,023.38	88,674.83
(b) Other income	26	4,488.37	1,521.79
Total income		1,42,511.75	90,196.62
2 Expenses:			
(a) Cost of materials consumed		46,769.73	30,332.13
(b) Changes in inventories of finished goods and work-in-progress	27	1,813.55	5,259.03
(c) Consumption of stores, spares and chemicals		22,513.88	13,067.50
(d) Power, fuel and water		12,646.32	9,131.60
(e) Employee benefits expense	28	15,707.32	14,298.03
(f) Finance costs	29	544.61	451.25
(g) Depreciation and amortisation expense	30	7,200.91	7,338.47
(h) Other expenses	31	16,479.79	10,497.55
Total expenses		1,23,676.11	90,375.56
3 Profit/(loss) before exceptional items and tax (1 - 2)		18,835.64	(178.94)
4 Exceptional items (net)	48	-	(440.85)
5 Profit/(loss) before tax (3 + 4)		18,835.64	(619.79)
6 Tax expense / (credit):			
(a) Current tax	32	5,603.18	548.95
(b) Deferred tax	32	(740.74)	(708.88)
		4,862.44	(159.93)
7 Net profit/(loss) after tax (5 - 6)		13,973.20	(459.86)
8 Other comprehensive income			
(i) Items that will not be reclassified to profit or loss:			
(a) Remeasurements of the defined benefit plans		(159.46)	366.31
(b) Equity instruments through other comprehensive income		29.00	159.00
		(130.46)	525.31
(ii) Income tax relating to items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans		40.13	(92.19)
(b) Equity instruments through other comprehensive income		(6.64)	(37.04)
		33.49	(129.23)
Total other comprehensive (loss) / income		(96.97)	396.08
9 Total comprehensive income / (loss) (7 + 8)		13,876.23	(63.78)
Earnings per share (Face value of ₹ 10 each) Basic & Diluted - ₹	38	35.14	(1.16)
Corporate information & significant accounting policies	1 & 2		
See accompanying notes forming part of the financial statements			

In terms of our report attached

For Deloitte Haskins & SellsChartered Accountants
(F.R.N. 008072S)**Sumit Trivedi**

Partner

For Andhra Paper Limited**Saurabh Bangur**

Joint Managing Director

Mukesh Jain

Director (Commercial) & CFO

S. K. Bangur

Chairman & Managing Director

Aravind Kumar MattaCompany Secretary &
Vice President (Corporate Affairs)Place: Hyderabad
Date: May 05, 2022Place: Rajahmundry
Date: May 05, 2022

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2022

(a) Equity share capital

(₹ in lakhs)

Particulars	Number of shares	Amount
Balance as at April 1, 2020	3,97,70,039	3,977.00
Changes in equity share capital during the year	-	-
Balance as at March 31, 2021	3,97,70,039	3,977.00
Changes in equity share capital during the year	-	-
Balance as at March 31, 2022	3,97,70,039	3,977.00

(b) Other equity

(₹ in lakhs)

Particulars	Reserves and surplus			Items of other comprehensive income	Total
	Security premium	Capital redemption reserve	Retained earnings	Equity instrument through other comprehensive income	
Balance as at April 1, 2020	18,211.13	598.00	74,630.10	169.06	93,608.29
Loss for the year	-	-	(459.86)	-	(459.86)
Remeasurements of the defined benefit plans (net of tax)	-	-	274.12	-	274.12
Changes in fair value (net of tax)	-	-	-	121.96	121.96
Balance as at March 31, 2021	18,211.13	598.00	74,444.36	291.02	93,544.51
Profit for the year	-	-	13,973.20	-	13,973.20
Remeasurements of the defined benefit plans (net of tax)	-	-	(119.33)	-	(119.33)
Dividend on equity shares	-	-	(1,988.50)	-	(1,988.50)
Changes in fair value (net of tax)	-	-	-	22.36	22.36
Balance as at March 31, 2022	18,211.13	598.00	86,309.73	313.38	1,05,432.24

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & SellsChartered Accountants
(F.R.N. 008072S)**Sumit Trivedi**

Partner

For Andhra Paper Limited**Saurabh Bangur**

Joint Managing Director

Mukesh Jain

Director (Commercial) & CFO

S. K. Bangur

Chairman & Managing Director

Aravind Kumar MattaCompany Secretary &
Vice President (Corporate Affairs)

Place: Hyderabad

Date: May 05, 2022

Place: Rajahmundry

Date: May 05, 2022

CASH FLOW STATEMENT

for the year ended March 31, 2022

(₹ in lakhs)

PARTICULARS	Year ended March 31, 2022	Year ended March 31, 2021
A. Cash flow from operating activities		
Profit / (Loss) before tax after exceptional items	18,835.64	(619.79)
Adjustments for:		
Depreciation and amortisation expense	7,200.91	7,338.47
Loss on sale / scrap of property, plant and equipment's (net) (includes exception items)	306.72	459.78
Profit on sale of current investments	(124.00)	(90.73)
Net gain on financial assets designated on FVTPL	(253.88)	(31.70)
Finance costs	544.61	451.25
Unwinding of discount on deferred payment liabilities	(58.09)	(58.09)
Interest income	(2,277.20)	(1,080.07)
Provision/write off for doubtful trade receivables and advances	20.02	0.13
Liabilities / provisions no longer required written back	(1,436.15)	(195.34)
Gain on termination of lease	(56.42)	-
Net unrealised foreign exchange loss	14.92	27.61
Operating profit before working capital changes	22,717.08	6,201.52
Changes in working capital:		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	1,922.13	5,910.22
Trade receivables	(2,725.83)	(3,502.46)
Loans	48.22	(73.94)
Other assets	(1,278.48)	514.89
Other financial assets	10.53	504.87
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	4,442.49	271.20
Other financial liabilities	459.68	201.66
Other liabilities	61.36	261.69
Provisions	70.28	69.41
Cash generated from operations	25,727.46	10,359.06
Income tax paid / refund received (net of refunds / paid)	(5,492.67)	20.48
Net cash flow from operating activities (A)	20,234.79	10,379.54
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress, Intangible assets under development, Capital advances, Capital creditors and intangible assets)	(3,944.97)	(2,145.26)
Purchase of current investments	(64,843.20)	(41,025.47)
Purchase of non-current investments	(15,643.11)	(8,712.99)
Proceeds from sale/redemption of current investments	55,215.02	32,649.23
Proceeds from sale of non-current investments	9,256.25	-
Proceeds from sale of property, plant and equipment (including assets held for sale)	39.92	40.61
Inter-corporate deposits given	(10,135.00)	(6,404.00)
Inter-corporate deposits matured	6,244.00	4,000.00
Term / margin money deposits placed during the year	(2,721.22)	(7,346.39)
Term / margin money deposits matured during the year	6,327.00	16,382.25
Interest received	2,074.24	1,218.79
Net cash used in investing activities (B)	(18,131.07)	(11,343.22)

CASH FLOW STATEMENT

for the year ended March 31, 2022 (Contd..)

(₹ in lakhs)

PARTICULARS	Year ended March 31, 2022	Year ended March 31, 2021
C. Cash flow from financing activities		
Proceeds from short-term borrowings	13,000.00	4,200.00
Repayment of long-term borrowings (including current maturities)	-	(149.78)
Repayment of short-term borrowings	(11,200.00)	(2,000.00)
Dividend paid	(1,988.50)	-
Finance costs	(378.40)	(374.71)
Repayment of lease liability	(606.91)	(600.24)
Net cash flow (used in) / from financing activities (C)	(1,173.81)	1,075.27
Net increase in Cash and cash equivalents (A+B+C)	929.91	111.59
Cash and cash equivalents at the beginning of the year	1,529.43	1,426.35
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies	(5.42)	(8.51)
Cash and cash equivalents at the end of the year (Refer note 11)	2,453.92	1,529.43

Reconciliation of Financial Liabilities - Borrowings and lease liabilities:

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance	4,362.10	2,721.15
Add: Lease liabilities recognised during the year	505.74	35.46
Add: Proceeds of borrowings	13,000.00	4,200.00
Less: (Repayments) of borrowings	(11,200.00)	(2,149.78)
Less: (Extinguishment) of lease liabilities	(383.55)	(38.10)
Less: (Repayments) of lease liabilities	(606.91)	(600.24)
Less: Fair value changes	181.32	193.61
Closing balance	5,858.70	4,362.10

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants
(F.R.N. 008072S)

Sumit Trivedi

Partner

Place: Hyderabad

Date: May 05, 2022

For Andhra Paper Limited

Saurabh Bangur

Joint Managing Director

Mukesh Jain

Director (Commercial) & CFO

S. K. Bangur

Chairman & Managing Director

Aravind Kumar Matta

Company Secretary &
Vice President (Corporate Affairs)

Place: Rajahmundry

Date: May 05, 2022

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

1. General information

Andhra Paper Limited (“APL”/“the Company”) is an integrated paper and pulp manufacturer. The equity shares of the Company are listed on BSE Limited and National Stock Exchange of India limited. APL was incorporated on June 29, 1964.

In October 2019, West Coast Paper Mills Limited, acquired controlling stake in the Company from the erstwhile Holding Company and public shareholders.

The addresses of its registered office and principal place of business are disclosed in the introduction to the annual report. APL owns and operates two manufacturing units located in the State of Andhra Pradesh, India, one at Rajamahendravaram and the other at Kadiyam in East Godavari District.

2. Significant accounting policies

A. Statement of compliance

The financial statements which comprise the Balance sheet, the Statement of Profit and Loss, the Cash flow statement and the Statement of changes in Equity (“Financial Statements”) have been prepared in accordance with Indian Accounting Standards (Ind ASs) notified under Section 133 of the Companies Act, 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter. The Company has consistently applied accounting policies to all periods.

B. Basis of preparation and presentation

The financial statements have been prepared on accrual basis and on the historical cost convention except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies set out below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions

that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36. In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly;
- Level 3 inputs are unobservable inputs for the asset or liability.

The principal accounting policies are set out below.

C. Use of estimates and judgements

The preparation of the financial statements in conformity with Ind AS requires Management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The following are the critical judgements and estimates that have been made in the process of applying the Company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

a) Useful lives of Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by Management at the time the asset is acquired and is reviewed at the end of each reporting period. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology. This reassessment may result in change in depreciation expense in future periods.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

b) Fair value measurement of financial instruments

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. In estimating the fair value of an asset or liability, the Company uses market-observable data to the extent available. Where Level 1 inputs are not available, the fair value is measured using valuation techniques, including the discounted cash flow model, which involves various judgments and assumptions. The Company also engages third party qualified valuers to perform the valuation in certain cases. The appropriateness of valuation techniques and inputs to the valuation model are reviewed by the Management.

c) Income taxes

The Company's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

d) Defined benefit obligations

The Company uses actuarial assumptions viz., discount rate, mortality rates, salary escalation rate etc., to determine such employee benefit obligations.

e) Claims, provisions and contingent liabilities

The Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take number of years to resolve and can involve estimation uncertainty. Information about such litigations is disclosed in notes to the financial statements.

f) Leases

The Company evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116 Leases. Identification of a lease requires significant judgment. The Company uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Company determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend the lease if the Company is reasonably certain to exercise that option; and periods covered by an option to terminate the lease if the Company is reasonably certain not to exercise that option.

In assessing whether the Company is reasonably certain to exercise an option to extend a lease, or not to exercise an option to terminate a lease, it considers all relevant facts and circumstances that create an economic incentive for the Company to exercise the option to extend the lease, or not to exercise the option to terminate the lease. The Company revises the lease term if there is a change in the non-cancellable period of a lease. The discount rate is generally based on the incremental borrowing rate specific to the lease being evaluated or for a portfolio of leases with similar characteristics.

g) Other estimates

The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analysing historical payment patterns, customer concentrations, customer credit-worthiness and current economic trends. If the financial condition of a customer deteriorates, additional allowances may be required.

D. Inventories

Inventories are valued at the lower of cost and net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale.

The method of determining cost of various categories of inventories is as follows:

Raw materials (including packing materials)	Weighted average cost
Stores and spares	Weighted average cost
Work-in-progress and finished goods (manufactured)	Weighted average cost of production which comprises of direct material costs, direct wages and applicable overheads.
Stock-in-trade	Weighted average cost

E. Property, plant and equipment and Capital work in progress

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost comprises the purchase price net of any trade discounts and rebates, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

attributable expenditure in making the asset ready for its intended use and cost of borrowing till the date of capitalisation in the case of assets involving material investment and substantial lead time.

An item of Property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected to arise from the continued use of asset. Any gain/loss arising on the disposal or retirement of an item of Property, plant and equipment is determined as the difference between the sale proceeds and the carrying amount of the asset and is recognised in the statement of profit or loss.

Depreciation

Depreciation on buildings is provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

Depreciation on plant and equipment is provided on straight-line method over 10-25 years, based on the useful life assessed as per technical assessment, taking into account the nature of asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, maintenance report etc.

Depreciation on other tangible fixed assets viz. furniture and fixtures, office equipment and vehicles is provided on written down value method as per the useful life prescribed in Schedule II of the Companies Act, 2013.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Assets acquired under finance lease are depreciated over their expected useful lives on the same basis as owned assets. Leasehold improvements are amortised over the lower of estimated useful life and lease term.

Assets individually costing ₹ 5,000 and below are fully depreciated in the period of acquisition.

F. Intangible Assets

Intangible assets are carried at cost, net of accumulated amortisation and impairment losses, if any. Cost of an intangible asset comprises of purchase price and attributable expenditure on making the asset ready for its intended use.

Intangible assets are amortised on the straight line method over their estimated useful life.

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognized.

G. Impairment

a) Financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss. The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables. The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original Effective Interest Rate (EIR). When estimating the cash flows, an entity is required to consider:

- (i) All contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

- (ii) Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

As a practical expedient, the Company uses a provision matrix to determine impairment loss on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognised during the period is recognised as income/expense in the Statement of Profit and Loss. ECL is presented as an allowance, i.e. as an integral part of the measurement of those assets in the Balance Sheet.

b) Non-financial assets

The Company assesses at each reporting date whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, the Company estimates the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognised in the Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised then the previously recognised impairment loss is reversed through the Statement of Profit and Loss.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using the pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of the cash inflows of other assets or group of asset ("the cash generating unit").

H. Functional and presentation currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (i.e. the "functional currency"). The financial statements are presented in Indian Rupee (₹), the national currency of India, which is the functional currency of the Company.

I. Foreign currency transactions and translations

Foreign currency transactions are recorded at exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of transactions. The date of transaction for the purpose of determining the exchange rate on initial recognition of the related asset, expense or income (part of it) is the date on which the entity initially recognises the non-monetary asset or non-monetary liability arising from payment or receipt of advance consideration. Foreign currency denominated monetary assets and liabilities are restated into the functional currency using exchange rates prevailing on the balance sheet date. Gains and losses arising on settlement and restatement of foreign currency denominated monetary assets and liabilities are recognised in the statement of profit and loss. Non-monetary assets and liabilities that are measured in terms of historical cost in foreign currencies are not translated.

J. Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants related to revenue are recognised on a systematic basis in the Statement of Profit and Loss over the periods necessary to match them with the related costs which they are intended to compensate. Such grants are deducted in reporting the related expense, as applicable. When the grant relates to an asset, it is recognised as deferred revenue in the Balance Sheet and transferred to the Statement of Profit and Loss on a systematic and rational basis over the useful lives of the related assets.

The benefit of a government loan at a below-market rate of interest is treated as a government grant and measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

K. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets

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that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

L. Employee benefits

a) Defined contribution plans

Employee benefits in the form of provident fund, superannuation, employees' state insurance fund and labour welfare fund are considered as defined contribution plans and the contributions are charged to the profit and loss during the year when the contributions to the respective funds are due and as and when services are rendered by employees.

Provident fund

Eligible employees receive benefits from a provident fund. Both the employee and the Company make monthly contributions to the provident fund plan equal to a specified percentage of the covered employee's salary. Rajahmundry unit of the Company makes the contributions to 'The Employee's Provident Fund of The Andhra Pradesh Paper Mills Limited' trust maintained by the Company, and for other locations the contributions are made to Regional Provident Fund Commissioner. The rate at which the annual interest is payable to the beneficiaries by the trust is determined by the Government. The Company has an obligation to make good the shortfall, if any, between the return from the investments of the trust and the notified interest rate. The Company has no further obligations.

Superannuation

Certain employees of the Company are participants in the superannuation plan ('the Plan') which is a defined contribution plan. The Company contributes to the superannuation fund maintained with an Insurer.

b) Defined benefit plans

Gratuity

In accordance with the Payment of Gratuity Act, 1972, as amended, the Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-

sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company. Liabilities with regard to the Gratuity Plan are determined by actuarial valuation at each Balance Sheet date using the projected unit credit method. The Company fully contributes all ascertained liabilities to the gratuity fund maintained with the Insurer.

Defined benefit costs are categorised as follows:

- a. service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- b. net interest expense or income; and
- c. re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss.

c) Short-term and other long-term employee benefits

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of the unutilised accumulating compensated absences and utilise it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for compensated absences in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of compensated absences as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company fully contributes all ascertained liabilities to the fund maintained with the Insurer. The Company recognises accumulated compensated absences based on actuarial valuation. Non-accumulating compensated absences are recognised in the period in which the absences occur.

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M. Revenue recognition

a) Sale of goods

Revenue is recognised upon transfer of promised goods or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those goods or services. Revenue is reduced for estimated customer returns, rebates and other similar allowances, taxes or duties collected on behalf of the government. An entity shall recognise revenue when the entity satisfies a performance obligation by transferring a goods or services (i.e. an asset) to a customer. An asset is transferred when the customer obtains control of that asset.

b) Export benefits

Export benefits are recognised on an accrual basis and when there is a reasonable certainty of realisation of such benefits / incentives.

c) Other income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

d) Insurance and other claims/refunds are accounted for as and when admitted by appropriate authorities.

N. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial asset or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial asset or financial liabilities at fair value through profit or loss are recognised immediately in the Statement of the Profit and Loss. While, loans and borrowings and payables are recognised net of directly attributable transaction costs.

Purchase or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trade) are recognised on trade date.

For the purpose of subsequent measurement, financial instruments of the Company are classified in the following categories: Non-derivative financial assets comprising amortised cost, investments in subsidiaries, equity instruments at fair value through other comprehensive income (FVTOCI) or fair value through profit or loss (FVTPL) and non-derivative financial liabilities at amortised cost. Management determines the classification of its financial instruments at initial recognition.

The classification of financial instruments depends on the objective of the Company's business model for which it is held and on the substance of the contractual terms / arrangements.

a) Non - derivative financial assets

i. Financial assets at amortised cost

A financial asset shall be measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. Financial assets are measured initially at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment loss.

Financial assets at amortised cost are represented by trade receivables, security deposits, cash and cash equivalents, loans / Inter-Corporate deposits given / placed and eligible current and non-current assets.

Cash comprises cash on hand, cash at bank, cheques on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

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ii. Investments in subsidiaries

On initial recognition, these instruments are recognised at fair value plus any directly attributable transaction costs. Subsequently they are measured at cost.

iii. Investments in Equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income (OCI) pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the "equity instruments through other comprehensive income". The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- It has been acquired principally for the purpose of selling it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedge instrument or a financial guarantee.

Dividends on these investments in equity instruments are recognised in the Statement of Profit and Loss when the Company's right to receive the dividends is established and the amount of dividend can be measured reliably.

iv. Financial assets at fair value through profit or loss (FVTPL)

FVTPL is a residual category for financial assets. A financial asset which does not meet the criteria for categorization as at amortised cost or as FVTOCI, is classified as FVTPL.

In addition, the Company may elect to designate the financial asset, which otherwise meets amortised cost or FVTOCI criteria, as FVTPL if doing so eliminates or significantly reduces a measurement or recognition inconsistency.

Financial assets included within the FVTPL category are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in the Statement of Profit and Loss. The net gain or loss recognised in the Statement of Profit and Loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item.

De-recognition of financial assets

The Company de-recognises financial assets when the contractual right to the cash flows from the asset expires or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. On de-recognition of a financial asset (except as mentioned above for financial assets measured at FVTOCI), the difference between the carrying amount and the consideration received and receivable is recognised in the Statement of Profit and Loss.

b) Non-derivative financial liabilities

i. Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

ii. Financial liability subsequently measured at amortised cost

Financial liabilities at amortised cost represented by borrowings, trade and other payables are initially recognized at fair value, and subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

De-recognition of financial liabilities

The Company de-recognises financial liabilities, when and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the

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carrying amount of the financial liabilities de-recognised and the consideration paid and payable is recognised in the Statement of Profit and Loss.

O. Leases

The Company's lease asset classes primarily consist of leases for building, plant & machinery and vehicles. The Company, at the inception of a contract, assesses whether the contract is a lease or not. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a time in exchange for a consideration.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Company's incremental borrowing rate. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognises the lease payments associated with these leases as an expense over the lease term.

P. Taxation

Income tax expense represent the sum of the current tax and deferred tax.

i. Current tax

Current tax is determined as the amount of tax payable in respect of the taxable income for the year as determined in accordance with the applicable tax rates and the provisions

of the Income-tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible under the Income-tax Act, 1961. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

ii. Deferred Tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of such deferred tax assets to be utilised.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

Q. Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the

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obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

R. Cash flow statements and Cash and cash equivalents

Cash flows are reported using the indirect method, whereby profit/ (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

For the purpose of presentation in the cash flow statement, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

S. Earnings per share

Basic earnings per share is computed by dividing the profit/ (loss) attributable to the equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effects of all dilutive potential equity shares.

T. Exceptional item

Significant gains/losses or expenses incurred arising from external events that is not expected to recur are disclosed as 'Exceptional item'.

U. Recent accounting pronouncements:

Ministry of corporate affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, as below:

Amendment to Ind AS 16 - Property Plant and equipment:

The amendment clarifies that excess of net sale proceeds of items produced over the cost of testing if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022. The Company has evaluated the amendment and there is no impact on its financial statements.

Amendment to Ind AS 37 - Provisions, Contingent Liabilities and Contingent Assets:

The amendment specifies that the 'cost of fulfilling a contract comprises the 'costs that relate directly to the contract. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2022, although early adoption is permitted. The Company has evaluated the amendment and there is no impact on its financial statements.

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3. Property, plant and equipment and capital work-in-progress

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Carrying amounts of:		
Freehold land	295.92	295.92
Buildings	7,428.00	7,801.09
Plant and equipment	49,303.72	51,975.30
Furniture and fixtures	38.23	43.53
Vehicles	76.87	53.41
Office equipment	192.79	299.54
Lease hold improvements	6.32	83.15
TOTAL - Property, plant and equipment	57,341.85	60,551.94
Capital work-in-progress (CWIP)	767.65	755.01
TOTAL - CWIP	767.65	755.01

(₹ in lakhs)

Cost or deemed cost	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Leasehold improvements	Total
Balance as at April 1, 2020	295.92	10,254.76	79,346.12	226.49	256.17	998.96	167.93	91,546.35
Additions	-	-	1,467.27	7.39	-	103.86	15.37	1,593.89
Disposals / adjustments*	-	(3.45)	(551.00)	(4.06)	-	(8.35)	-	(566.86)
Balance as at March 31, 2021	295.92	10,251.31	80,262.39	229.82	256.17	1,094.47	183.30	92,573.38
Additions	-	100.15	3,575.71	15.35	45.62	11.78	1.04	3,749.65
Disposals / adjustments*	-	(0.80)	(590.79)	(1.49)	-	(4.85)	(169.94)	(767.87)
Balance as at March 31, 2022	295.92	10,350.66	83,247.31	243.68	301.79	1,101.40	14.40	95,555.16

* Adjustments includes transfers inter-se

(₹ in lakhs)

Accumulated depreciation	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Leasehold improvements	Total
Balance as at April 1, 2020	-	1,968.86	22,374.32	170.42	177.60	634.32	77.07	25,402.59
Depreciation expense	-	482.40	6,010.80	18.85	25.16	166.60	23.08	6,726.89
Eliminated on disposal of assets	-	(1.04)	(98.03)	(2.98)	-	(5.99)	-	(108.04)
Balance as at March 31, 2021	-	2,450.22	28,287.09	186.29	202.76	794.93	100.15	32,021.44
Depreciation expense	-	472.60	5,997.91	20.58	22.16	117.71	20.26	6,651.22
Eliminated on disposal of assets	-	(0.16)	(341.41)	(1.42)	-	(4.03)	(112.33)	(459.35)
Balance as at March 31, 2022	-	2,922.66	33,943.59	205.45	224.92	908.61	8.08	38,213.31

Capital work-in-progress ageing as at March 31, 2022:

CWIP ageing schedule#:

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	764.45	-	-	3.20	767.65

Capital work-in-progress ageing as at March 31, 2021:

CWIP ageing schedule#:

(₹ in lakhs)

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	751.81	-	3.20	-	755.01

Project execution plans are reviewed periodically on the basis of Management's judgement and estimates w.r.t future business, technology developments / economy / industry / regulatory environment and all the projects are assessed as per periodic plan.

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4. Right-of-use assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amounts of right-of-use assets:		
Buildings	839.32	941.80
Vehicles	2.03	10.10
Plant and equipment	-	180.00
TOTAL - Right-of-use assets	841.35	1,131.90

(₹ in lakhs)

Cost	Buildings	Vehicles	Plant and equipment	Total
Balance as at March 31, 2020	1,478.26	23.75	1,080.00	2,582.01
Additions	35.46	-	-	35.46
Deletion	(68.44)	-	-	(68.44)
Balance as at March 31, 2021	1,445.28	23.75	1,080.00	2,549.03
Additions	511.14	-	-	511.14
Deletion	(911.91)	-	(1,080.00)	(1,991.91)
Balance as at March 31, 2022	1,044.51	23.75	-	1,068.26

(₹ in lakhs)

Accumulated amortisation	Buildings	Vehicles	Plant and equipment	Total
Balance as at March 31, 2020	250.34	4.70	720.00	975.04
Amortisation expense	286.16	8.95	180.00	475.11
Deletion	(33.02)	-	-	(33.02)
Balance as at March 31, 2021	503.48	13.65	900.00	1,417.13
Amortisation expense	275.90	8.07	180.00	463.97
Deletion	(574.19)	-	(1,080.00)	(1,654.19)
Balance as at March 31, 2022	205.19	21.72	-	226.91

4a. Intangible assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Carrying amounts of:		
Computer softwares	318.22	179.58
TOTAL - Intangible assets	318.22	179.58
Intangible assets under development	-	143.83
TOTAL - Intangible assets under development	-	143.83

(₹ in lakhs)

Cost or deemed cost	Computer softwares	Total
Balance as at April 1, 2020	966.37	966.37
Additions	28.61	28.61
Disposals	(32.41)	(32.41)
Balance as at March 31, 2021	962.57	962.57
Additions	224.36	224.36
Disposals	-	-
Balance as at March 31, 2022	1,186.93	1,186.93

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

4a. Intangible assets (Contd..)

(₹ in lakhs)

Accumulated amortisation	Computer softwares	Total
Balance as at April 1, 2020	677.84	677.84
Amortisation expense	136.47	136.47
Eliminated on disposal of assets	(31.32)	(31.32)
Balance as at March 31, 2021	782.99	782.99
Amortisation expense	85.72	85.72
Eliminated on disposal of assets	-	-
Balance as at March 31, 2022	868.71	868.71

Intangible assets under development ageing

Ageing for Intangible assets under development as at March 31, 2022 is as follows:

(₹ in lakhs)

Particulars	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	-	-	-	-	-

Ageing for Intangible assets under development as at March 31, 2021 is as follows:

(₹ in lakhs)

Particulars	Amount in intangible assets under development for a period of				Total
	Less than 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Projects in progress	143.83	-	-	-	143.83

5. Investments

(₹ in lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021	
	Face Value ₹	Number	Amount	Number	Amount
Non-current					
Trade					
Unquoted Investments (all fully paid)					
(A) Investment in equity shares of subsidiary at cost					
- Andhra Paper Foundation	10	50,000	5.00	50,000	5.00
Total (A)			5.00		5.00
(B) Investments carried at amortised cost:					
Investments in bonds					
State Bank of India, Perpetual, 8.50%	10,00,000	5	53.52	5	53.75
State Bank of India, Perpetual, 9.45%	10,00,000	5	52.26	5	53.24
State Bank of India, Perpetual, 7.74%	10,00,000	50	532.05	50	534.37
Cholamandalam MS General Insurance Co. Limited, 8.75%, 25 May 27	10,00,000	90	937.40	90	938.25
JM Financial Products Limited, 10.20%, 11 Nov 22	1,000	-	-	80,000	870.95

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

5. Investments (Contd..)

(₹ in lakhs)

Particulars	As at March 31, 2022			As at March 31, 2021	
	Face Value ₹	Number	Amount	Number	Amount
Tata Capital Housing Finance Limited, 7.33%, 10 Jan 31	10,00,000	-	-	50	508.92
NIIF Infrastructure Finance Limited, 8.60%, 07 Nov 24	10,00,000	-	-	50	549.79
Gujarat State Investments Limited, 9.45%, 01 Oct 22	10,00,000	-	-	12	125.44
JM Financial Products Limited, 10.20%, 21 May 22	1,000	-	-	10,472	114.53
JM Financial Products Limited, 21 May 22	1,000	-	-	2,424	29.01
India Infoline Finance Limited 12.15%, 30 Aug 22	10,00,000	-	-	50	557.31
Gujarat State Investments, 9.45%, 01 Oct 2022	10,00,000	-	-	105	1,104.64
Royal Sundaram General Insurance, 10.5%, 27 Mar 27	10,00,000	-	-	150	1,547.64
Mahanagar Telephone Nigam Limited, 6.85%, 20 Dec 30	10,00,000	-	-	120	1,222.15
JM Financial Credit Solutions Limited, 10.00%, 13 Jul 22	1,000	-	-	3,740	39.41
Hinduja Leyland Finance Limited, 11.40%, 08 Apr 22	10,00,000	-	-	50	557.10
Power Finance Corporation Limited, 8.19%, 14 Jun 2023	10,00,000	7	76.55	-	-
Rural Electrification Corporation Limited, 8.82%, 12 Apr 2023	10,00,000	4	44.65	-	-
L&T Finance Limited, 9.25%, 13 Mar 2024	1,000	1,40,000	1,484.92	-	-
Bank Of India, 9.80%, 30 Sep 2023	10,00,000	30	342.58	-	-
Bank Of Baroda, 9.73%, 17 Dec 2023	10,00,000	30	323.45	-	-
Total (B)			3,847.38		8,806.50
(C) Investments in Non-Convertible Debentures					
LIC Housing Finance Limited, 9.19%, 06 Jun 2023	10,00,000	10	107.50	-	-
IIFL Finance Limited, 8.25%, 14 Oct 2023	1,000	50,000	532.32	-	-
Bajaj Finance Limited, 5.75%, 16 Feb 2024	10,00,000	250	2,515.05	-	-
Tata Capital Housing Finance Limited, 5.86%, 23 Feb 2024	10,00,000	100	1,007.25	-	-
Tata Capital Financial Services Limited, 6.1%, 29 Mar 24	10,00,000	50	501.86	-	-
Tata Capital Housing Finance Limited, 0%, 24 Jan 2024	10,00,000	50	539.86	-	-
IIFL Home Finance Limited, 8.93%, 14 Apr 2023	10,00,000	50	536.76	-	-
Kotak Mahindra Prime Limited, 5.00%, 20 Dec 23	10,00,000	100	1,003.54	-	-
Muthoot Finance Limited, 7.40%, 05 Jan 24	1,000	25,994	271.38	-	-
Shriram City Union Finance Limited, 7.50%, 22 May 2023	10,00,000	100	1,008.02	-	-
Total (C)			8,023.54		-
(D) Investments in Equity Instruments at FVTOCI:					
- Andhra Pradesh Gas Power Corporation Limited, equity shares of ₹ 10 each	10	13,40,000	1,947.00	13,40,000	1,918.00
Total (D)			1,947.00		1,918.00
Aggregate carrying value of unquoted non-current investments (E) = (A) + (B) + (C) + (D)			13,822.92		10,729.50

(₹ in lakhs)

Particulars	Face Value ₹	Number of Units	Amount	Number of Units	Amount
Current					
Unquoted investments carried at amortised cost					
Investment in Tax free bonds					
7.93% REC Limited 2022	1,000	-	-	19,989	219.08
Total (A)			-		219.08
Investments in Bonds					
Sikka Ports & Terminals Limited, 10.25%, 22 Aug 21	10,00,000	-	-	9	96.44
Tata Motor Finance Limited, 9.30%, 28 Jul 21	10,00,000	-	-	20	214.47
Shriram Transport Finance Company Limited, 9.10, 12 Jul 21	1,000	-	-	1,00,000	1,070.98
Hinduja Leyland Finance Limited, 11.40%, 15 Jul 21	10,00,000	-	-	25	260.41

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

5. Investments (Contd..)

(₹ in lakhs)

Particulars	Face Value ₹	Number of Units	Amount		
			Number of Units	Amount	
JM Financial Credit Solutions Limited, 07 Aug 21	1,000	-	-	3,835	49.53
JM Financial Products Limited, 21 May 21	1,000	-	-	3,292	39.39
JM Financial Credit Solutions Limited, 9.25%, 07 Aug 21	1,000	-	-	9,888	107.08
JM Financial Products Limited, 9.90%, 21 May 21	1,000	-	-	5,737	62.45
JM Financial Products Limited, 16 Mar 22	1,000	-	-	2,383	26.47
JM Financial Products Limited, 9.50%, 16 Mar 22	1,000	-	-	2,758	28.18
Piramal Capital & Housing Finance Limited, 9.5%, 15 Apr 2022	8,00,000	63	506.66	-	-
L&T Finance Limited, 8.9%, 15 Apr 2022	1,000	20,000	217.26	-	-
Gujarat State Investments Limited, 9.45%, 28 Sep 2022	10,00,000	205	2,119.60	-	-
Gujarat State Investments Limited, 9.45%, 01 Oct 22	10,00,000	12	123.79	-	-
Indian Renewable Energy Development Agency Limited, 9.49%, 04 Jun 2022	1,50,000	20	216.57	-	-
India Infrastructure Finance Company Limited, 8.82%, 19 Dec 2022	10,00,000	1	10.36	-	-
Rural Electrification Corporation Limited, 9.02%, 19 Nov 2022	10,00,000	5	52.94	-	-
Total (B)			3,247.18		1,955.40
Investments in Non-Convertible Debentures					
JM Financial Credit Solutions Limited, 10.00%, 13 Jul 22	1,000	5,660	58.57	-	-
Hinduja Leyland Finance Limited, 11.1%, 08 Apr 2022	10,00,000	200	2,171.97	-	-
India Infradebt Limited, 9.10%, 20 Jun 2022	10,00,000	3	30.23	-	-
IIFL Finance Limited, 12.15%, 30 Aug 2022	10,00,000	50	542.27	-	-
JM Financial Products Limited, 10.20%, 11 Nov 22	1,000	1,50,000	1,611.15	-	-
L&T Finance Limited, 8.55%, 29 Nov 2022	10,00,000	30	311.88	-	-
Aditya Birla Finance Limited, 10.50%, 20 May 2022	10,00,000	20	219.42	-	-
Shriram Housing Finance Limited, 10.60%, 09 May 2022	1,00,000	300	302.77	-	-
Total (C)			5,248.26		-
Investments in Commercial papers					
Piramal Enterprises Limited, 06 Aug 21	5,00,000	-	-	200	973.82
Piramal Capital & Housing Finance Limited, 16 Mar 22	5,00,000	-	-	200	926.90
ARKA Fincap Limited, 02 Dec 2022	5,00,000	200	955.32	-	-
ARKA Fincap Limited, 12 Dec 2022	5,00,000	200	953.51	-	-
Piramal Enterprises Limited, 06 May 22	5,00,000	200	993.18	-	-
Piramal Enterprises Limited, 08 Apr 22	5,00,000	400	1,997.56	-	-
Total (D)			4,899.57		1,900.72
Unquoted instruments at FVTPL					
Investments in Mutual funds					
Axis Liquid Fund - Direct Growth		46,759	1,105.43	26,817	612.71
Axis Money Market Fund - Direct Growth		1,21,775	1,402.59	27,590	305.39
Aditya Birla Sun life Liquid Fund - Growth-Direct		4,10,325	1,407.93	2,15,271	713.70
TATA Money Market Fund Direct Plan Growth		31,402	1,201.22	13,390	491.38
TATA Liquid Fund Direct Plan - Growth		14,982	503.45	15,564	505.45
Axis Corporate Bond		-	-	14,85,975	201.60
Aditya Birla Sun Life Corporate fund - Growth - Direct Plan		-	-	2,32,060	201.27
Kotak Liquid Direct Plan Growth		-	-	21,758	904.91
Aditya Birla Sun life Banking & PSU Debt Fund - Growth - Direct		-	-	68,846	199.46
HDFC Liquid Fund - Direct Plan - Growth Option		-	-	14,897	602.68
HDFC Money market Fund - Direct Plan - Growth		-	-	3,647	163.17
HDFC Corporate Bond Fund - Direct Growth		-	-	12,01,022	302.46
Kotak Corporate bond Direct Growth		-	-	3,368	100.52
ICICI Prudential Liquid Fund - Direct Plan - Growth		-	-	98,452	300.02

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

5. Investments (Contd..)

(₹ in lakhs)

Particulars	Face Value ₹	Number of Units	Amount	Number of Units	Amount
ICICI Corporate bond - Direct Plan - Growth	-	-	-	4,29,082	100.86
HDFC Money market Fund - Direct Plan - Growth	-	-	-	10,93,947	199.64
SBI Savings fund - Reg Growth	-	-	-	12,40,207	403.95
SBI Corporate bond - Direct - Growth	-	-	-	16,39,383	200.24
SBI Liquid Fund Direct Growth	-	-	-	18,978	611.39
Kotak Flexicap Fund - Direct Growth	-	8,37,178	476.06	-	-
Kotak Liquid Direct Plan Growth	-	4,699	202.21	-	-
Kotak Emerging Equity Fund Direct Growth	-	6,26,338	498.67	-	-
TATA Digital India Fund Direct Plan Growth	-	15,42,462	657.93	-	-
ICICI Prudential Large & Midcap Fund-DP Growth	-	2,20,448	195.10	-	-
Aditya Birla Money Manager Fund - Growth - Direct	-	3,01,443	901.04	-	-
ICICI Large & Midcap Fund	-	51,293	296.71	-	-
Mirae Asset Large Cap Fund - Direct - Growth	-	5,72,232	483.18	-	-
Mirae Asset Nifty SDL Jun 2027 Index Fund Direct Plan - Growth	-	49,99,750	500.33	-	-
Edelweiss Crossover Fund Series III	-	19,04,725	243.55	-	-
SBI ETF Nifty and Open ended	-	1,00,000	178.68	-	-
Nippon India ETF Nifty Bees	-	50,000	94.47	-	-
Nippon India Money Market Fund - Direct Growth Plan Growth	-	5,969	199.99	-	-
Option	-	-	-	-	-
Mirae Asset Cash Management Fund	-	13,446	302.14	-	-
DSP Liquidity Fund Direct plan Growth	-	6,584	200.38	-	-
Total (E)			11,051.04		7,120.80
Aggregate carrying value of unquoted current investments			24,446.05		11,196.00
(F) = (A)+(B)+(C)+(D)+(E)					

6. Loans

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Loans		
Considered good - Unsecured		
Inter-corporate deposits (Refer Note below)	-	400.00
TOTAL	-	400.00
Current		
Loans		
Considered good - Unsecured		
Loans to employees	144.34	192.56
Inter-corporate deposits (Refer Note below)	10,295.00	6,004.00
TOTAL	10,439.34	6,196.56

Note:

Inter-Corporate Deposit (ICD) are placed by the Company with Non-Banking Financial Companies as fixed deposits and with different corporates as term loans. Maximum amount outstanding during the year was ₹ 14,398.00 lakhs (2020-21: ₹ 6,404.00 lakhs) and amount outstanding as at March 31, 2022 is ₹ 10,295.00 lakhs (March 31, 2021: ₹ 6,404.00 lakhs) at the interest rate ranging between 5.25% to 15.00% per annum (2020-21: 4.60% to 7.91% per annum), which are going to mature on different dates.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

7. Other financial assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
a) Security deposits		
- Unsecured, considered good	426.27	385.09
TOTAL	426.27	385.09
Current		
a) Security deposits		
- Unsecured, considered good	63.80	113.06
b) Advances to employees	5.04	2.60
c) Receivable from related parties (Refer note - 36)	2.41	7.30
d) Interest accrued on deposits, ICDs and others	410.81	212.35
TOTAL	482.06	335.31

8. Other assets

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-Current		
a) Capital advances	365.54	51.31
b) Prepaid expenses	34.19	53.26
c) Balances with statutory / government authorities	3,361.37	3,300.73
TOTAL	3,761.10	3,405.30
Current		
a) Advances recoverable in cash or in kind		
Considered good	4,462.53	2,189.95
Considered credit impaired	18.03	37.08
	4,480.56	2,227.03
Less: Provision for credit impaired loans and advances	18.03	37.08
	4,462.53	2,189.95
b) Prepaid expenses	367.31	155.71
c) Balances with statutory / government authorities	1,560.01	2,775.04
d) Advance - Gratuity trust of The Andhra Pradesh Paper Mills	-	233.59
e) Others		
- Export benefits receivable	380.30	178.95
TOTAL	6,770.15	5,533.24

9. Inventories

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(at lower of cost and net realisable value)		
(a) Raw materials	5,601.52	5,251.54
(b) Work-in-progress	1,302.44	1,046.76
(c) Finished goods	79.08	2,148.31
(d) Stores and spares (includes fuel)	7,297.08	7,785.26
Add : Goods in transit	228.63	199.01
TOTAL	14,508.75	16,430.88

Notes:

- The cost of inventories recognised as an expense during the year has been disclosed on the face of the Statement of Profit and Loss.
- There are no inventories expected to be recovered after more than twelve months.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

10. Trade receivables

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Trade receivables		
(a) Considered good - Secured	5,875.06	2,223.31
(b) Considered good - Unsecured	4,380.11	5,336.33
(c) Which have significant increase in Credit risk and	-	-
(d) Credit impaired	100.62	89.39
Less: Impairment loss on credit impaired trade receivables	100.62	89.39
TOTAL	10,255.17	7,559.64

Ageing for trade receivables outstanding as at March 31, 2022 is as follows:

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables – considered good	10,169.33	76.41	8.00	1.43	-	-	10,255.17
Undisputed trade receivables – credit impaired	-	6.12	13.24	-	0.50	-	19.86
Disputed trade receivables – credit impaired	-	-	-	-	-	80.76	80.76
TOTAL	10,169.33	82.53	21.24	1.43	0.50	80.76	10,355.79
Less: Impairment loss on credit impaired trade receivables							(100.62)
							10,255.17

Ageing for trade receivables outstanding as at March 31, 2021 is as follows:

(₹ in lakhs)

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	
Undisputed trade receivables – considered good	7,498.57	56.62	2.31	2.09	0.05	-	7,559.64
Undisputed trade receivables – credit impaired	-	8.63	-	-	-	-	8.63
Disputed trade receivables – credit impaired	-	-	-	-	-	80.76	80.76
TOTAL	7,498.57	65.25	2.31	2.09	0.05	80.76	7,649.03
Less: Impairment loss on credit impaired trade receivables							(89.39)
							7,559.64

Notes:

- The average credit period on sale is 20 days. No interest is charged on trade receivables for the first 30 days from the date of the invoice. Thereafter, interest is charged at 15% per annum on the outstanding balance.
- Before accepting any new customer, the Company has a credit evaluating system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed twice a year. Of the trade receivables balance, ₹ 1,407.71 lakhs (as at March 31, 2021: ₹ 1,752.50 lakhs) is due from customers who represent more than 5% of the total balance of trade receivables.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

10. Trade receivables (Contd..)

(iii) The Company maintains an allowance of credit impaired accounts based on financial condition of the customer, ageing of customer receivable and overdues, available collaterals and historical experience of collections from customers. Accordingly, the Company creates provision towards credit impaired trade receivables after recovering the underlying collaterals. Besides, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a historical loss rate method. The historical loss rate takes into account historical credit loss experience and adjusted for forward-looking information. The expected credit loss allowance is based on the average loss rate of the collections against the receivables.

Movement in the Impairment loss on credit impaired trade receivables

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at beginning of the year	89.39	89.26
Movement in the Impairment loss on credit impaired trade receivables (Net)	11.23	0.13
Balance at end of the year	100.62	89.39

The Concentration of credit risk is limited to the fact that the customer base is large and unrelated.

11. Cash and cash equivalents

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Cash on hand	0.61	0.92
b) Balances with Banks		
- in Current accounts	434.12	433.60
- in EEFC accounts	620.19	294.91
- in demand deposit accounts with original maturity of less than 3 months	1,399.00	800.00
TOTAL	2,453.92	1,529.43

12. Other bank balances

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
In other deposit accounts		
- Term deposits with original maturity of more than 3 months *	2,587.00	6,327.00
In earmarked accounts:		
- Unclaimed/Unpaid Dividend account	5.02	-
- Balances held as margin money or security against guarantees and other commitments	435.12	300.90
TOTAL	3,027.14	6,627.90

* Includes term deposits ₹ 1,791.00 lakhs (March 31, 2021: ₹ 1,796.00 lakhs) of original maturity of more than 12 months.

13. Current tax liabilities (net)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Tax assets		
Advance tax (including TDS receivable)	22,798.94	17,111.88
Tax liabilities		
Income tax payable	22,871.11	17,210.36
TOTAL	72.17	98.48

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

14. Assets classified as held for sale

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Fixed assets held for sale	129.68	167.80
TOTAL	129.68	167.80

15. Equity share capital

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Equity share capital	3,977.00	3,977.00
	3,977.00	3,977.00
Authorised Share capital :		
40,000,000 fully paid up equity shares of ₹ 10 each	4,000.00	4,000.00
500,000 Redeemable cumulative preference shares of ₹ 100 each	500.00	500.00
Issued and subscribed capital comprises:		
3,97,70,039 fully paid up equity shares of ₹ 10 each (as at March 31, 2021: 3,97,70,039)	3,977.00	3,977.00
	3,977.00	3,977.00

15.1 Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

(₹ in lakhs)

Particulars	Number of shares	Share capital (Amount)
Balance at April 01, 2020	3,97,70,039	3,977.00
Changes during the year	-	-
Balance at March 31, 2021	3,97,70,039	3,977.00
Changes during the year	-	-
Balance at March 31, 2022	3,97,70,039	3,977.00

15.2 Rights, preferences and restrictions attached to the equity shares

The Company has only one class of issued, subscribed and fully paid up equity shares having a face value of ₹ 10 each per share. Each holder of equity shares is entitled to one vote per share. The dividend (other than interim dividend) proposed, if any, by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to number of equity shares held by the shareholders.

15.3 Equity shares held by the holding company

Name of the Shareholder	As at March 31, 2022	As at March 31, 2021
West Coast Paper Mills Limited	2,87,13,400	2,87,13,400

15.4 Details of shares held by each shareholder holding more than 5% of the aggregate shares in the Company

Name of the Shareholder	As at March 31, 2022		As at March 31, 2021	
	Number of shares	% holding of equity shares	Number of shares	% holding of equity shares
West Coast Paper Mills Limited	2,87,13,400	72.20	2,87,13,400	72.20

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

15. Equity share capital (Contd.)

15.5 Details of shareholding of Promoters

Promoter name	As at March 31, 2022		% Change during the year
	Number of shares	% of total shares	
West Coast Paper Mills Limited	2,87,13,400	72.20	-

16. Other equity

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Securities premium	18,211.13	18,211.13
Reserve for equity instruments through other comprehensive income	313.38	291.02
Retained earnings	86,309.73	74,444.36
Capital redemption reserve	598.00	598.00
TOTAL	1,05,432.24	93,544.51

Notes:

16.1 Securities premium

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	18,211.13	18,211.13
Movements during the year	-	-
Balance at end of year	18,211.13	18,211.13

Security premium reserve represents the amount received in excess of the face value of the equity shares. The utilisation of the security premium reserve is governed by the Section 52 of the Companies Act, 2013 ("Act").

16.2 Reserve for equity instruments through other comprehensive income

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	291.02	169.06
Net fair value gain on investments in equity instruments at FVTOCI	29.00	159.00
Income tax on net fair value gain on investments in equity instruments at FVTOCI	(6.64)	(37.04)
Balance at end of year	313.38	291.02

This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income.

16.3 Retained earnings

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Balance at beginning of year	74,444.36	74,630.10
Profit / (Loss) for the year	13,973.20	(459.86)
Remeasurement of defined benefit plan	(159.46)	366.31
Related income tax	40.13	(92.19)
Dividend on equity shares	(1,988.50)	-
Balance at end of year	86,309.73	74,444.36

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

16. Other equity (Contd..)

Retained earnings represent the Company's undistributed earnings after taxes.

In respect of the year ended March 31, 2022, the directors in their meeting held on May 5, 2022 have proposed a dividend of ₹ 7.50 per equity share of face value of ₹ 10 each. The proposed equity dividend is subject to approval by the shareholders at the Annual General Meeting (AGM) and has not been included as a liability in these financial statements. The total estimated amount to be paid with respect to dividend is ₹ 2,982.75 lakhs.

In respect of the year ended March 31, 2021, the directors proposed a final dividend of ₹ 5 per equity share of face value of ₹ 10 each, which was approved by the shareholders in the AGM held on August 12, 2021. The total amount of such dividend paid is ₹ 1,988.50 Lakhs during the current year.

16.4 Capital redemption reserve

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Balance at beginning of year	598.00	598.00
Movements during the year	-	-
Balance at end of year	598.00	598.00

Capital redemption reserve has been created pursuant to the requirements of the Act under which the Company is required to transfer certain amounts on redemption of preference shares. The Company has redeemed the underlying preference shares in the earlier years. The capital redemption reserve can be utilised for issue of bonus shares.

17. Non-current borrowings

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Non-current		
Unsecured – at amortised cost		
Deferred payment liabilities (Refer note below)	786.36	717.71
TOTAL	786.36	717.71

Note:

Deferred payment liabilities: It represent sales tax deferral loan availed by the Company, from the Government of Andhra Pradesh and is repayable after a period of 14 years from the end of the financial year of its avallment. These are interest free loans. An amount of ₹ 140.43 lakhs (March 31, 2021 – ₹ 140.43 lakhs) is due within next twelve months and is included under the head 'Current maturities of long-term debts' disclosed under Note 18.

18. Current borrowings

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Unsecured – at amortised cost		
a) Loans repayable on demand		
- from banks - Refer note below	4,000.00	2,200.00
b) Current maturities of long-term debt	140.43	140.43
TOTAL	4,140.43	2,340.43

Note:

For the financial year 2021-22, unsecured Export packing credit loan is availed from Axis Bank which carry an interest rate of 2.25% p.a. and repayable on demand. For the financial year 2020-21, unsecured Export packing credit loan is availed from Standard Chartered Bank which carry an interest rate of 1.65% p.a. and repayable on demand.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

19. Lease liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Lease liabilities	794.28	810.31
TOTAL	794.28	810.31
Current		
Lease liabilities	137.63	493.65
TOTAL	137.63	493.65

20. Trade payables

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) total outstanding dues of micro enterprises and small enterprises (MSME) (Refer note 40)	2,557.21	1,470.67
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	13,710.30	11,566.87
TOTAL	16,267.51	13,037.54

Ageing for trade payables outstanding as at March 31, 2022 is as follows:

(₹ in lakhs)

Particulars	Outstanding for the following periods from the due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables							
(i) MSME	-	1,577.34	944.10	19.19	11.13	5.45	2,557.21
(ii) Others	8,939.97	4,142.85	559.22	20.31	13.92	34.03	13,710.30
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
TOTAL	8,939.97	5,720.19	1,503.32	39.50	25.05	39.48	16,267.51

Ageing for trade payables outstanding as at March 31, 2021 is as follows:

(₹ in lakhs)

Particulars	Outstanding for the following periods from the due date of payment						Total
	Unbilled	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Trade payables							
(i) MSME	-	985.12	463.38	16.37	0.35	5.45	1,470.67
(ii) Others	7,657.50	3,109.29	731.57	30.94	17.21	20.36	11,566.87
(iii) Disputed dues - MSME	-	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-	-
TOTAL	7,657.50	4,094.41	1,194.95	47.31	17.56	25.81	13,037.54

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

21. Other financial liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
- Deferred Government Grant	174.28	232.37
TOTAL	174.28	232.37
Current		
a) Current maturities of deferred government grant	58.09	58.09
b) Interest accrued (Refer note 40)	23.90	23.03
c) Others :-		
(i) Trade / security deposits received	3,020.90	2,593.54
(ii) Payables on purchase of property, plant and equipment	369.59	157.51
(iii) Contractually reimbursable expenses	55.87	55.92
(iv) Others	-	227.34
d) Payable to related parties	27.87	-
e) Unpaid dividend	5.02	-
TOTAL	3,561.24	3,115.43

22. Provisions

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Non-current		
Employee benefits: (Refer note 34)		
- Compensated absences	141.86	51.00
TOTAL	141.86	51.00
Current		
Employee benefits: (Refer note 34)		
- Gratuity	138.88	-
Provisions:		
For contingencies (Refer note 41)	1,090.66	1,090.66
For others (Disputed dues) (Refer note 47)	2,357.43	2,357.43
TOTAL	3,586.97	3,448.09

23. Other current liabilities

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
a) Advances from customers	287.46	324.51
b) Other Payables		
- Statutory remittances	294.33	294.61
- Others*	2,037.24	1,938.55
TOTAL	2,619.03	2,557.67

* Others include liabilities created on account of demands received in respect of excise, property tax, water cess etc.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

24. Deferred tax liabilities (net)

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Deferred tax liabilities (net)	8,100.62	8,834.72
Deferred tax liabilities (net)	8,100.62	8,834.72

(₹ in lakhs)

2021-22	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities) /assets in relation to:				
Property, plant and equipment	(9,200.07)	766.03	-	(8,434.04)
Disallowances under Income Tax Act, 1961, allowed on payment basis	349.56	65.04	-	414.60
Long-term capital loss carried forward	22.75	-	-	22.75
Financial assets at FVTOCI	(88.44)	-	(6.64)	(95.08)
Provision for credit impaired balances	31.84	(1.97)	-	29.87
Others	49.64	(88.36)	-	(38.72)
Total	(8,834.72)	740.74	(6.64)	(8,100.62)

(₹ in lakhs)

2020-21	Opening balance	Recognised in statement of profit and loss	Recognised in other comprehensive income	Closing balance
Deferred tax (liabilities) /assets in relation to:				
Property, plant and equipment	(9,980.73)	780.66	-	(9,200.07)
Disallowances under Income Tax Act, 1961, allowed on payment basis	401.16	(51.60)	-	349.56
Long-term capital loss carried forward	22.75	-	-	22.75
Financial assets at FVTOCI	(51.57)	0.17	(37.04)	(88.44)
Provision for credit impaired balances	31.80	0.04	-	31.84
Others	70.03	(20.39)	-	49.64
Total	(9,506.56)	708.88	(37.04)	(8,834.72)

25. Revenue from operations

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
(a) Sale of products - (Refer note (i) below)	1,36,692.07	87,948.55
(b) Other operating revenues - (Refer note (ii) below)	1,331.31	726.28
TOTAL	1,38,023.38	88,674.83
Notes:		
(i) Sale of products comprise of sale of paper and paperboard		
(ii) Other operating revenues comprises:		
Sale of saplings	-	20.36
Export incentives	484.76	161.65
Incidental charges recovered from customers	-	1.21
Sale of scrap	846.55	543.06
TOTAL	1,331.31	726.28

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

26. Other income

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
a) Interest income earned on financial assets that are not designated as fair value through profit or loss	4.50	6.59
b) Interest income	2,272.70	1,073.48
c) Unwinding of discount on deferred payment liabilities	58.09	58.09
d) Profit on sale of current investments	124.00	90.73
e) Net gain on financial assets designated on FVTPL	253.88	31.70
f) Insurance and other claims	14.50	4.05
g) Liabilities / provisions no longer required written back	1,436.15	195.34
h) Net gain on foreign currency transactions and translations	220.24	-
i) Gain on termination of lease	56.42	-
j) Miscellaneous Income	47.89	61.81
TOTAL	4,488.37	1,521.79

27. Changes in inventories of finished goods and work-in-progress

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Inventories at the beginning of the year		
- Work-in-progress	1,046.76	2,041.70
- Finished goods	2,148.31	6,412.40
	3,195.07	8,454.10
Inventories at the end of the year		
- Work-in-progress	1,302.44	1,046.76
- Finished goods	79.08	2,148.31
	1,381.52	3,195.07
Changes in inventories	1,813.55	5,259.03
	1,813.55	5,259.03

28. Employee benefits expense

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Salaries, wages and bonus	13,604.22	12,321.96
Provident and family pension funds	655.02	604.74
Employee state insurance	7.78	4.78
Gratuity fund	209.87	249.03
Superannuation fund	15.76	18.83
Employee group insurance	206.47	193.56
Leave encashment	90.86	72.76
Staff welfare expense	885.34	800.37
Cost of deputed personnel	32.00	32.00
TOTAL	15,707.32	14,298.03

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

29. Finance costs

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Interest on bank overdrafts and loans (other than those from related parties)	47.59	13.81
Interest on income tax	97.70	41.03
Other interest expense	169.64	154.42
Interest on lease liabilities	112.67	118.95
Interest cost on deferred payment liabilities	68.65	74.66
Bank and finance charges	48.36	48.38
TOTAL	544.61	451.25

30. Depreciation and amortisation expense

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Depreciation of property, plant and equipment (Refer note 3)	6,651.22	6,726.89
Amortisation of right-of-use assets (Refer note 4)	463.97	475.11
Amortisation of intangible assets (Refer note 4a)	85.72	136.47
TOTAL	7,200.91	7,338.47

31. Other expenses

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Repairs and maintenance		
- Buildings	958.85	375.24
- Plant and machinery	2,964.62	1,681.92
- Others	474.39	377.85
Operating service expenses	4,813.99	3,249.05
Conversion / processing charges	339.98	283.87
Forwarding, transportation and other sales expenses	2,966.23	924.93
Rates and taxes	312.17	242.47
Royalty	42.92	12.89
Rent	280.19	218.88
Insurance	564.08	674.21
Research and development	62.10	95.06
Legal and professional charges	660.18	663.20
Cost auditor's remuneration and expenses	7.00	7.00
Provision for credit impaired trade receivables and advances	20.02	0.13
Directors' sitting fees	48.33	43.75
Net loss on foreign currency transactions / translations	-	20.28
Payment to auditors (Refer note 39)	70.58	68.80
Travelling and conveyance	106.27	57.30
Corporate social responsibility expenses (Refer note 50)	367.00	417.68
Loss on sale / scrap of property, plant and equipment's (net)	306.72	18.93
Miscellaneous expenses	1,114.17	1,064.11
TOTAL	16,479.79	10,497.55

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

32. Tax expense / (credit)

A. Amounts recognised in profit or loss

i) Income tax recognised in the Statement of profit or loss

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current Tax	5,603.18	548.95
Deferred tax	(740.74)	(708.88)
Total income tax expense recognised	4,862.44	(159.93)

ii) Income tax recognised in other comprehensive income

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Tax related to items recognised in OCI		
Deferred tax expenses on fair value gain on investments in equity instruments through OCI	(6.64)	(37.04)
Current tax expenses / benefit on remeasurements of defined benefit plans	40.13	(92.19)
Income tax recognised in OCI	33.49	(129.23)

B. The income tax expense / (credit) for the year can be reconciled to the accounting profit as follows:

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Profit / (loss) before tax (A)	18,835.64	(619.79)
Enacted tax rate (B)	25.17%	25.17%
Expected Tax Expenses (C=A * B)	4,740.55	(155.99)
Adjustments		
Prior year taxation	43.47	(174.17)
Effect of expenses that are not deductible in determining taxable profit	117.92	105.12
Tax effects of other adjustments	(39.50)	65.11
Total Adjustments - D	121.89	(3.94)
Tax expense recognised in profit or loss (E=C+D)	4,862.44	(159.93)

33. Contingent Liabilities and Commitments

A. Contingent Liabilities (to the extent not provided for):

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Claims against the Company not acknowledged as debt: -		
Matters under litigation		
a. Income tax matters	640.67	640.67
b. Excise duty claims disputed by the Company relating to issues of applicability, classification and valuation	3,911.51	3,913.39
c. Sales tax claims disputed by the Company relating to issues of applicability, royalty and discounts	796.08	755.90
d. Electricity duty towards consumption of energy generated by captive power unit (refer note 47)	1,571.62	1,571.62
e. Other matters (third party claims, interest on royalty, ex-employees claims etc.,)	3,551.31	2,403.97

The amounts disclosed above represent best estimates and the uncertainties are dependent on the outcome of the legal processes initiated by the Company or the claimant as the case may be.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

33. Contingent Liabilities and Commitments (Contd..)

B. Commitments:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	5,246.01	1,386.56

34. Employee Benefits

A. Defined contribution plans:

Provident fund:

The Company contributed ₹ 495.96 lakhs (Previous year: ₹ 468.36 lakhs) to the Provident Fund Trust maintained by the Company and ₹ 125.45 lakhs (Previous year: ₹ 124.67 lakhs) to Regional Provident Fund Commissioner, which was recognized as an expense in Statement of Profit and Loss during the year.

Superannuation:

The Company recognized ₹ 15.76 lakhs (Previous year: ₹ 18.83 lakhs) as an expense towards contribution as superannuation in the Statement of Profit and Loss during the year.

B. Defined benefit plans

Amounts recognised in statement of profit and loss in respect of these defined benefit i.e. Gratuity plans are as follows:

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Current service cost	225.51	234.05
Net interest expense	(15.64)	14.98
Components of defined benefit costs recognised in statement of profit or loss	209.87	249.03
Re-measurement on the net defined benefit liability:		
- Return on plan assets (greater)/less than discount rate	(103.20)	(392.12)
- Actuarial (gains) / losses arising from experience adjustments	165.23	(98.97)
- Actuarial losses arising from changes in financial assumptions	110.55	112.41
- Adjustments to recognise the effect of asset ceiling	(13.12)	12.37
Components of defined benefit costs recognised in other comprehensive income	159.46	(366.31)
Total	(369.33)	(117.28)

The current service cost and the net interest expense for the year are included in the 'Employee benefits expense' line item in the Statement of profit and loss.

The re-measurement of the net defined benefit liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Present value of defined benefit obligation	3,341.66	3,195.98
Fair value of plan assets	3,202.78	3,429.59
Net (liability) / assets arising from defined benefit obligation	(138.88)	233.59

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

34. Employee Benefits (Contd..)

Movements in the present value of the defined benefit obligation are as follows:

(₹ in lakhs)

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
Opening defined benefit obligation	3,195.98	3,067.43
Current service cost	225.51	234.05
Interest cost	181.75	192.56
Actuarial (gains) / losses arising from experience adjustments	165.23	(98.97)
Actuarial losses arising from changes in financial assumptions	110.55	112.41
Benefits paid	(537.36)	(311.50)
Closing defined benefit obligation	3,341.66	3,195.98

Movements in the fair value of the plan assets are as follows:

(₹ in lakhs)

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
Opening fair value of plan assets	3,429.59	2,773.77
Interest income	197.38	177.58
Contributions from the employer	9.97	397.62
Return on plan assets (greater)/less than discount rate	103.20	392.12
Benefits paid	(537.36)	(311.50)
Closing fair value of plan assets	3,202.78	3,429.59

Composition of plan assets:

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
Insurer managed funds	100.00%	100.00%
	100.00%	100.00%

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	March 31, 2022	March 31, 2021
	Discount rate	6.90%
Estimated rate of return on plan assets	7.00%	7.00%
Salary escalation rate	7.00%	6.00%
Mortality rate	Indian Assured Lives Mortality (IALM) (2012-14) Ult. Modified	
Attrition rate	Age	Age
	Rate p.a	Rate p.a
	21-30	21-30
	31-40	31-40
	41 & Above	41 & Above
	5%	5%
	3%	3%
	2%	2%

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

34. Employee Benefits (Contd..)

(₹ in lakhs)

Particulars	Gratuity plan	
	March 31, 2022	March 31, 2021
Sensitivity Analysis – DBO at the end of the year		
Discount rate + 100 basis points	(234.73)	(217.13)
Discount rate – 100 basis points	271.46	250.94
Salary rate + 1%	268.48	249.30
Salary rate – 1%	(263.58)	(219.73)

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.

There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

There has been no change in the process used by the Company to manage its risks from prior periods.

(₹ in lakhs)

Particulars	Gratuity plan	
	March 31, 2022	March 31, 2021
Weighted average duration of DBO	8 years	8 years
Expected cash flows		
1. Expected employer contribution in the next year	150.00	50.00
2. Expected benefit payments		
Year 1	710.01	667.50
Year 2	318.70	386.68
Year 3	294.19	291.59
Year 4	290.05	264.07
Year 5	272.84	257.26
Beyond 5 years	1,455.87	1,328.88

35. Segment reporting

Operating Segments

The Chairman & Managing Director of the Company has been identified as the Chief Operating Decision Maker (CODM) who evaluates the Company's performance and allocates resources for manufacture and sale of pulp, paper and paperboard. Accordingly, manufacturing and sale of pulp, paper and paperboard is considered as the single operating segment of the Company.

Geographical Information

The Company operates in India and makes certain sales to customers situated outside India. The revenue from external customers by location of customers is detailed below. All the non-current assets of the Company are situated within India.

(₹ in lakhs)

Revenue – Sale of products	Year ended March 31, 2022	Year ended March 31, 2021
India	115,236.62	81,410.34
Outside India	21,455.45	6,538.21
Total	136,692.07	87,948.55

The Company's revenue includes ₹ 12,402.47 lakhs (2020-21: ₹ 9,180.68 lakhs) which arose from sales to the Company's largest customer. No other single customer contributed 10 per cent or more to the Company's revenue in either 2021-22 or 2020-21.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

36. Related party disclosures

a. List of related parties and relationships

(i) Holding Company

West Coast Paper Mills Limited

(ii) Subsidiary Company

Andhra Paper Foundation

(iii) Fellow Subsidiaries

West Coast Opticable Limited

(iv) Entity where the KMP is in a position to exercise control

Veer Enterprises Limited

(v) Entity where the Company is in a position to exercise control

The Employees Provident Fund of the Andhra Pradesh Paper Mills Limited

(vi) Key Management Personnel

- Mr. Shree Kumar Bangur – Chairman & Managing Director
- Mr. Virendraa Bangur – Vice Chairman (w.e.f May 29, 2020)
- Mr. Anish T. Mathew – Director Commercial & CFO (till November 9, 2021)
- Mr. Saurabh Bangur – Joint Managing Director (w.e.f June 01, 2020)
- Mr. Mukesh Jain – Director - Commercial (w.e.f November 10, 2021)

b. Transactions during the year

Particulars	Name of the related party	(₹ in lakhs)	
		Year ended March 31, 2022	Year ended March 31, 2021
Sale of dry pulp	West Coast Paper Mills Limited	-	1,053.86
Contribution towards provident fund	The Employees Provident Fund of The Andhra Pradesh Paper Mills Limited	495.96	468.36
Rental Income	West Coast Paper Mills Limited	8.37	7.86
Sale of Property Plant and Equipment	West Coast Paper Mills Limited	1.36	-
Sale of Bielomatik cutter Knifes	West Coast Paper Mills Limited	6.27	-
Professional charges - Management contracts	West Coast Paper Mills Limited	66.64	35.29
Professional charges -Management contracts	Veer Enterprises Limited	16.21	2.52
Purchase of Wooden Clogs	West Coast Paper Mills Limited	0.32	-
Purchase of Property Plant and Equipment	West Coast Paper Mills Limited	0.10	-
Managerial remuneration	Key Managerial Personnel (Refer note below)	223.25	206.41

Note: Represents remuneration paid to Joint Managing Director and Director - Commercial & CFO.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

36. Related party disclosures (Contd..)

c. Amounts due from / due to related parties

(₹ in lakhs)

Particulars	Name of the related party	As at	As at
		March 31, 2022	March 31, 2021
Due to related parties			
Trade payables	West Coast Paper Mills Limited	27.87	10.17
Due from related parties			
Other receivables	West Coast Paper Mills Limited	2.41	7.30

37. Ind AS 116

i) The following is the movement in lease liabilities during the year ended:

(₹ in lakhs)

Particulars	For the year ended	For the year ended
	March 31, 2022	March 31, 2021
Opening balance	1,303.96	1,787.89
Add: Lease liabilities recognised during the year	505.74	35.46
Less: Extinguishment of lease liabilities	(383.55)	(38.10)
Add: Interest cost accrued during the year	112.67	118.95
Less: Payment of lease liabilities including interest	(606.91)	(600.24)
Balance at the end	931.91	1,303.96

ii) Maturity analysis of lease liabilities:

(₹ in lakhs)

Particulars	As at	As at
	March 31, 2022	March 31, 2021
Less than one year	137.63	493.65
One to three years	276.24	400.35
More than three years	518.04	409.96
Total lease liabilities	931.91	1,303.96

38. Earnings per share

The calculations of profit attributable to equity shareholders and weighted average number of equity shares outstanding for purposes of basic earnings per share calculation are as follows:

Particulars	Year ended	Year ended
	March 31, 2022	March 31, 2021
Profit / (Loss) for the year (In ₹ Lakhs)	13,973.20	(459.86)
Weighted average number of equity shares outstanding during the year (Nos.) - Basic and Diluted	39,770,039	39,770,039
Earnings per share (Face value ₹ 10 per share) Basic and Diluted (₹)	35.14	(1.16)

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

39. Payments to Auditors

(₹ in lakhs)

Particulars	Year ended March 31, 2022	Year ended March 31, 2021
Statutory audit fees	52.00	52.00
Limited Review fees	9.00	9.00
Tax audit fees	6.00	6.00
Certification fees	1.50	1.50
Out-of-pocket expenses and others	2.08	0.30
TOTAL	70.58	68.80

The above excludes ₹ 3.60 lakhs (Previous year - ₹ 4.00 lakhs) paid to the affiliate firm of auditors.

40. Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006: The amount due to Micro and Small Enterprises as defined in the 'The Micro, Small and Medium Enterprises Development Act, 2006' has been determined to the extent such parties have been identified on the basis of information available with the Company. The disclosures relating to Micro, Small and Medium Enterprises are as under:

(₹ in lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
(i) Principal amount remaining unpaid to supplier at the end of the year	2,557.21	1,470.67
(ii) Interest due thereon remaining unpaid to supplier at the end of the year	23.90	23.03
(iii) Payment made to suppliers (other than interest) beyond the appointed day, during the year	23.20	-
(iv) Interest paid to suppliers under MSMED Act (other than Section 16)	-	-
(v) Interest paid to suppliers under MSMED Act (Section 16)	-	-
(vi) Interest due and payable to suppliers under MSMED Act, for payments already made	-	-
(vii) Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act (ii) + (vi)	23.90	23.03

41. Provision for contingencies

The Company carries a general provision for contingencies towards various disputed matters / claims made against the Company based on the Management's assessment. Also, refer Note 22. The movement of this provision account is as under:

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

42. Category-wise classification of Financial Instruments

The carrying value of financial instruments by categories as at March 31, 2022 and March 31, 2021 is as follows:

(₹ in lakhs)

Particulars	Fair value hierarchy	Carrying Value #	
		As at March 31, 2022	As at March 31, 2021
FINANCIAL ASSETS			
Measured at amortised cost			
(i) Cash and cash equivalents	Level 2	2,453.92	1,529.43
(ii) Other bank balances	Level 2	3,027.14	6,627.90
(iii) Trade receivables	Level 2	10,255.17	7,559.64
(iv) Loans *	Level 2	10,439.34	6,596.56
(v) Investments	Level 2	25,270.93	12,886.70
(vi) Other financial assets**	Level 2	908.33	720.40
Measured at FVTOCI			
Investments in equity instruments	Level 3	1,947.00	1,918.00
Measured at FVTPL			
Investments in mutual funds	Level 3	11,051.04	7,120.80
TOTAL FINANCIAL ASSETS		65,352.87	44,959.43
FINANCIAL LIABILITIES			
Measured at Amortised cost			
(i) Borrowings (including current maturities of long-term debt)	Level 2	4,926.79	3,058.14
(ii) Lease liabilities	Level 2	931.91	1,303.96
(iii) Trade payables	Level 2	16,267.51	13,037.54
(iv) Other financial liabilities ***	Level 2	3,735.52	3,347.80
TOTAL FINANCIAL LIABILITIES		25,861.73	20,747.44

Also represents fair value

* Loans include loans given to employees

** Other financial assets includes Security deposits with the vendors, advances given to employees, Receivable from related parties, interest accrued on fixed deposits, ICDs and margin money deposits.

*** Other financial liabilities includes interest accrued, security deposits received from customers and payables on purchase of property plant and equipment.

43. Calculation of fair values

The fair values of the financial assets and liabilities are defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Methods and assumptions used to estimate the fair values are consistent with those used for the year ended March 31, 2021.

Financial assets and liabilities measured at fair value as at Balance Sheet date.

The fair values of investments in unquoted equity investments has been estimated using a discounted cash flow model under income approach. The valuation requires Management to make certain assumptions about model inputs, including forecast cash flows, discount rate and credit risk, the probabilities of the various estimates within range can be reasonably assessed and are used in Management's estimate of fair value for these unquoted investments.

44. Fair value hierarchy:

The fair value of financial instruments as referred to in Note 42 above have been classified into three categories depending on the inputs used in the valuation technique. The hierarchy gives the highest priority to quoted prices in active markets for identified assets or liabilities (Level 1 measurements) and lowest priority to unobservable inputs (Level 3 measurements).

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

44. Fair value hierarchy: (Contd..)

The categories used are as follows:

Level 1 — Quoted prices for identified instruments in an active market.

Level 2 — Directly or indirectly observable market inputs, other than Level 1 inputs; and

Level 3 — Inputs which are not based on observable market data.

This note provides information about how the Company determines fair values of various financial assets and financial liabilities.

Fair value of the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the Company's financial assets and financial liabilities are measured at the fair value at the end of each reporting period. The following table gives information about how the fair value of these financial assets and financial liabilities are determined (in particular, the valuation technique and other inputs used).

Financial assets/ Financial liabilities	Fair value as at		Fair value hierarchy	Valuation technique and key input	Significant unobservable input	Relationship of unobservable inputs to fair value
	March 31, 2022	March 31, 2021				
Investments in equity instruments at FVTOCI (unquoted Note iii)	1.84% equity investment in Andhra Pradesh Gas Power Corporation Limited engaged in generation and distribution of power and domiciled in India, ₹ 1,947.00 lakhs	1.84% equity investment in Andhra Pradesh Gas Power Corporation Limited engaged in generation and distribution of power and domiciled in India, ₹ 1,918.00 lakhs	Level 3	Discounted cash flow model under income approach was used to capture the present value of the expected future economic benefits to be derived from the ownership of the investee.	Long term growth rates, taking into account management's experience and knowledge of market conditions of the specific industry at 2%. Weighted average cost of capital (WACC) as determined ranging from 15.25% (As at March 31, 2021: 16.40%)	A slight increase in long term revenue growth rates used in isolation would result in increase in the fair value (Refer Note i below) A slight increase in the WACC used in isolation would result in decrease in the fair value (Refer Note ii below)

Notes:

- If the Long-term growth rates used were 1% higher / lower while all other variables were held constant, the carrying amount of the shares would increase / (decrease) by ₹ 76.00 lakhs and Nil respectively [as at March 31, 2021: increase/(decrease) by ₹ 83.00 lakhs and ₹ (72.00) lakhs.].
- A 1% increase / (decrease) in WACC or discount rate used while holding all other variables constant would (decrease) / increase the carrying amount of the unquoted equity investments by ₹ (110.00) lakhs and ₹ 126.00 lakhs respectively [as at March 31, 2021: (decrease) / increase by ₹ (115.00) lakhs and ₹ 132.00 lakhs].
- These investments in equity instruments are not held for trading. Instead, they are held for long term strategic purpose. Upon the application of Ind AS 109, the Company has chosen to designate these investments in equity instruments as at FVTOCI irrevocably as the Management believes that this provides a more meaningful presentation for long term strategic investments, than reflecting changes in fair value immediately in profit or loss.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

44. Fair value hierarchy: (Contd..)

iv. Reconciliation of Level 3 fair value measurements:

(₹ in lakhs)

Investments in unquoted equity instruments at FVTOCI	Year ended March 31, 2022	Year ended March 31, 2021
Opening balance	1918.00	1,759.00
Total gain or losses:		
- in other comprehensive income	29.00	159.00
Closing balance	1,947.00	1,918.00

45. Financial Risk Management and Capital Management

The Company's business activities are exposed to a variety of financial risks, namely Interest rate risk, credit risk, liquidity risk and foreign currency risk. The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are overseen by the Board of Directors of the Company.

A. Interest rate risk

The Company is exposed to interest rate risk because Company borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

The sensitivity analyses below have been determined based on the exposure to interest rates for the non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 50-basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's:

Profit for the year ended March 31, 2022 would decrease/increase by ₹ 15.64 lakhs (for the year ended March 31, 2021: decrease/increase by ₹ 5.55 lakhs). This is mainly attributable to the Company's exposure to interest rates on its variable rate borrowings.

B. Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments.

Customer credit risk is managed by the Company's established policy, procedures and control relating to the customer credit risk management. The Company uses financial information and past experience to evaluate credit quality of majority of its customers and individual credit limits are defined in accordance with this assessment. Outstanding receivables and the credit worthiness of its counterparties are periodically monitored and taken up on case to case basis. Considering the historical experience of collecting trade receivables, the Company evaluates the concentration of risk with respective trade receivables as low.

The credit risk on cash and bank balances and deposits with financial institutions is limited because the counterparties are banks with high credit ratings assigned by international credit rating agencies.

C. Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. Also, the Company has un-utilised credit limits with banks. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2022 and March 31, 2021. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

45. Financial Risk Management and Capital Management (Contd..)

The Company regularly maintains the rolling forecasts to ensure it has sufficient cash on an on-going basis to meet operational needs. Any short-term surplus cash generated, over and above the amount required for working capital management and other operational requirements, is retained as cash and cash equivalents (to the extent required) and any excess is invested in interest bearing short term deposits with appropriate maturities to optimise the cash returns on investments while ensuring sufficient liquidity to meet its liabilities.

The table below provides details regarding the contractual maturities of significant financial liabilities as of March 31, 2022 and March 31, 2021:

(₹ in lakhs)

Particulars	Total Amount	Less than 1 year	More than 1 and less than 2 years	More than 2 and less than 3 years	More than 3 years
March 31, 2022					
Trade payables	16,267.51	16,267.51	-	-	-
Payables for purchase of property, plant and equipment	369.59	369.59	-	-	-
Borrowings	4,926.79	4,140.43	189.39	219.05	377.92
Lease liabilities	931.91	137.63	134.68	141.56	518.04
Other financial liabilities*	3,365.93	3,191.66	58.09	58.09	58.09
March 31, 2021					
Trade payables	13,037.54	13,037.54	-	-	-
Payables for purchase of property, plant and equipment	157.51	157.51	-	-	-
Borrowings	3,058.14	2,340.43	189.39	219.05	309.27
Lease liabilities	1,303.96	493.65	240.11	160.24	409.96
Other financial liabilities*	3,190.29	2,957.92	58.09	58.09	116.19

* Other financial liabilities include deposits received from customers amounting to ₹ 3,020.90 lakhs (March 31, 2021: ₹ 2,593.54 lakhs). These deposits do not have a contractual re-payment term but are repayable on demand. Since, the Company does not have an unconditional right to defer the payment, these deposits have been classified as current balances. For including these amounts in the above mentioned maturity analysis, the Company has assumed that these deposits, including interest thereon, will be repayable at the end of the reporting period. The actual maturity period for the deposit amount can differ based on the date on which these deposits are settled to customers.

D. Financing facilities

The Company has access to financing facilities (Fund and non-fund based) of which ₹ 13,527.27 lakhs (March 31, 2021: ₹ 11,267.51 lakhs) were unused at the end of the reporting period. The Company expects to meet its other obligations from operating cash flows and proceeds of maturing financial assets.

E. Foreign currency risk management

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

As at March 31, 2022:

Particulars	As at March 31, 2022 (All figures in lakhs)				
	GBP	USD	Euro	JPY	₹
Assets					
Trade Receivables	-	17.56	-	-	1,330.50
Cash and cash equivalents	-	8.18	-	-	620.19
Liabilities					
Trade payables	-	0.32	1.88	-	183.17

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

45. Financial Risk Management and Capital Management (Contd..)

As at March 31, 2021:

Particulars	As at March 31, 2021 (All figures in lakhs)				₹
	GBP	USD	Euro	JPY	
Assets					
Trade Receivables	-	16.89	-	-	1,234.71
Cash and cash equivalents	-	4.03	-	-	294.91
Liabilities					
Trade payables	0.06	2.89	0.10	1.98	227.42

Foreign currency sensitivity analysis

Considering the countries and economic environment in which the Company operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Great Britain Pound and Euro against the functional currency of the Company.

₹ 1 strengthening of INR against US Dollar, to which the Company is majorly exposed would have led to approximately ₹ 25.42 lakhs loss in the Statement of Profit and Loss (Year ended March 31, 2021 - ₹ 18.03 lakhs loss). A ₹ 1 weakening of the INR against US Dollar would have led to an equal but opposite effect.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items.

Capital management

The Company's capital management objective is to maximise the total shareholder return by optimising cost of capital through flexible capital structure that supports growth. Further, the Company ensures optimal credit risk profile to maintain/enhance credit rating.

The Company determines that amount of capital on the basis of annual operating plan and long-term strategic plans. The funding requirements are met through internal accruals and long-term/short-term borrowings. The Company monitors the capital structure on the basis of Net debt to equity ratio and maturity profile of the overall debt portfolio of the Company.

For the purpose of Capital management, capital includes equity capital, securities premium and all other reserves. Net debt includes all long and short-term borrowings as reduced by cash and cash equivalents.

The following table summarises the net debt to equity ratio of the Company:

Particulars	(₹ in lakhs)	
	As at March 31, 2022	As at March 31, 2021
Long term borrowings and current maturities of long-term debt	926.79	858.14
Short-term borrowings	4,000.00	2,200.00
Cash and cash equivalents (including other bank balances)	(5,481.06)	(8,157.33)
Inter-corporate deposit	(10,295.00)	(6,404.00)
Net Surplus Cash - (A)	(10,849.27)	(11,503.19)
Equity - (B)	109,409.24	97,521.51
Net surplus cash to equity ratio - (A)/(B)	(9.92)	(11.80)

46. The Company's wholly owned subsidiary, Andhra Paper Foundation, carries out Corporate Social Responsibility activities. The same is not considered for the purpose of consolidation, as the objective of control over this entity is not to obtain economic benefits from its activities.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

47. In the year ended March 31, 2017, the Hon'ble High Court for the State of Telangana and the State of Andhra Pradesh upheld the validity of levy of electricity duty @ 25 paisa per unit by the State Government on consumption of electricity by captive generating units relating to earlier years. The Company (along with other petitioners) filed a Special Leave Petition in the Hon'ble Supreme Court, which in the interim, directed the petitioners to pay partial amount without prejudice to the rights and contentions of the petitioners, pursuant to which the Company had paid ₹ 1,502.05 lakhs under protest in the year ended March 31, 2017. The matter is pending hearing.

In view of the inherent uncertainty in predicting the final outcome of the above litigation, the Management has, on grounds of prudence and abundant caution, made a provision amounting to ₹ 2,357.43 lakhs during the year ended March 31, 2017 towards the potential liability in the event of an un-favourable verdict in this matter. Additionally, an amount of ₹ 1,571.62 lakhs has been disclosed as a contingent liability. On the basis of the legal advice obtained, in the opinion of the Management no further provision would be required in relation to this disputed matter.

48. Exceptional items

During the year ended March 31, 2021, the Management determined to de-commission certain plant and equipment. Consequently, there was a write-down of the net book value of such plant and equipment amounting to ₹ 440.85 lakhs which was disclosed as an exceptional item in the Statement of Profit and Loss.

49. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

50. As per Section 135 of the Companies Act, 2013 ('Act'), a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on Corporate Social Responsibility (CSR) activities. The focus areas of Company's CSR activities are Education, Health & Wellness and Community Engagement. The CSR activities of the Company are in line with the Schedule VII of the Companies Act, 2013. A CSR committee has been formed by the Company as per the Act.

		(₹ in lakhs)	
S. No	Particulars	As at March 31, 2022	As at March 31, 2021
1	Gross amount required to be spent by the company during the year.	367.00	417.68
2	Amount spent during the year on		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above	202.00	188.35
3	Shortfall at the end of the year #	165.00	229.33
4	Total of previous years shortfall (net of incurred during the year)	-	-
5	Reason for shortfall	Pertains to ongoing projects	Pertains to ongoing projects
6	Nature of CSR activities	Education, Health & Wellness and Community engagement	
7	Details of related party transactions, e.g. contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard	-	-
8	Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year	NA	NA

#The Company has transferred the unspent amount to a separate bank account on April 28, 2022 for the year ended March 31, 2022 and for the year ended March 31, 2021, the unspent amount was transferred to a separate bank account on April 30, 2021 in compliance with Companies (Corporate Social Responsibility Policy) Amendment Rules, 2021 vide MCA notification dated January 22, 2021.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

51. Investments and Loans & Advances:

No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

52. On March 24, 2021, the Ministry of Corporate Affairs (MCA) through notification, amended Schedule III of the Companies Act, 2013, applicable for financial periods commencing from April 01, 2021. Pursuant to such amendments,

- Current maturities of non-current borrowings has been re-grouped to 'Current Borrowings' from 'Other current financial liabilities'.
- Current/non-current lease liabilities has been re-grouped and shown as a separate line item on the face of Balance Sheet as item (ia) of current /non-current financial liabilities from other financial liabilities.

Amounts as at March 31, 2021 have also been re-grouped in accordance with the above amendments

53. Ratios

The following are analytical ratios for the year ended March 31, 2022 and March 31, 2021

S. No	Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	Reasons	Variance
1	Current Ratio	Current assets	Current liabilities	2.39	2.21	No major change	8%
2	Debt - Equity Ratio	Total Debt	Shareholder's Equity	0.05	0.03	Higher export packing credit loan of ₹ 1,800 lakhs during the year	37%
3	Debt Service Coverage Ratio	Earnings available for debt service ⁽¹⁾	Debt Service ⁽²⁾	2.18	2.40	No major change	(9%)
4	Return on Equity (ROE)	Net Profits after taxes	Average Shareholder's Equity	13.51%	(0.47%)	Last year sales and margins got impacted due to COVID-19.	2965%
5	Inventory turnover Ratio	Revenue	Average Inventory	8.92	4.57	Last year sales got impacted due to COVID-19.	95%
6	Trade receivables turnover ratio	Revenue	Average Trade Receivable	15.50	15.24	No major change	2%
7	Trade payables turnover ratio	Purchases of goods & services and other expenses	Average Trade Payables	12.68	8.95	Last year's production got impacted due to COVID-19.	42%
8	Net capital turnover ratio	Revenue	Working Capital	3.28	2.91	No major change	13%

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

53. Ratios (Contd..)

S. No	Ratio	Numerator	Denominator	March 31, 2022	March 31, 2021	Reasons	Variance
9	Net profit ratio	Net Profits after taxes	Revenue	10.12%	(0.52%)	Last year sales and margins got impacted due to COVID-19.	2052%
10	Return on capital employed (ROCE)	Earnings before interest and taxes	Capital Employed ⁽³⁾	15.71%	(0.15%)	Last year sales and margins got impacted due to COVID-19.	10420%
11	Return on investment (ROI)	Income generated from investments	Average invested funds in treasury investments	6.18%	4.20%	Investments in current and non-current are higher compared to previous year which has resulted in higher income.	47%

(1) Net Profit after taxes + Non-cash operating expenses + Interest + other adjustments like loss on sale of Fixed assets etc.

(2) Interest & Lease Payments + Principal Repayments

(3) Net worth + deferred tax liabilities + lease liabilities+Total debt

54. The financial statements are approved for issue by the Board of Directors on May 05, 2022.

For Andhra Paper Limited

Saurabh Bangur

Joint Managing Director

S. K. Bangur

Chairman & Managing Director

Mukesh Jain

Director (Commercial) & Chief Financial Officer

Aravind Kumar Matta

Company Secretary &
Vice President (Corporate Affairs)

Place: Rajahmundry

Date: May 05, 2022



ANDHRA PAPER LIMITED

(CIN: L21010AP1964PLC001008)

Regd. Office: Rajahmundry – 533 105, East Godavari District, Andhra Pradesh, India

Notice of Annual General Meeting

NOTICE is hereby given that the 58th Annual General Meeting of the Members of Andhra Paper Limited (“The Company”) will be held on **Friday, August 12, 2022 at 11.30 A.M. (IST)** through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”) to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2022 and the Reports of Board of Directors and Auditors thereon.
2. To declare a final dividend of Rs.7.50 per equity share of face value of Rs.10/- each, of the Company for the financial year ended March 31, 2022.
3. To appoint a Director in place of Mr. Virendraa Bangur (DIN: 00237043) who retires by rotation in terms of Section 152(6) of the Companies Act, 2013, and being eligible offers, himself for re-appointment.
4. **Appointment of Auditors and fixing their remuneration**

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution, as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), M/s. MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W) be and are hereby appointed as Statutory Auditors of the Company, in place of the retiring auditors, M/s. Deloitte Haskins & Sells, Chartered Accountants, for a period of five years, to hold office from the conclusion of this (58th) Annual General Meeting till the conclusion of the 63rd Annual General Meeting of the Company.

RESOLVED FURTHER THAT approval be and is hereby accorded for payment of remuneration of Rs.33.00 lakhs, (excluding applicable taxes), plus reimbursement of out-of-pocket expenses to M/s. MSKA & Associates, Chartered Accountants, for the financial year 2022-23 and remuneration

for the financial years 2023-24 to 2026-27, payable to M/s. MSKA & Associates, be determined by the Board on the recommendation of Audit Committee.”

SPECIAL BUSINESS

5. Ratification of remuneration of Cost Auditors

To consider and, if thought fit, to pass, with or without modification(s), the following Resolution, as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to Section 148 and all other applicable provisions, if any, of the Companies Act, 2013, read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Company be and hereby ratifies the remuneration of Rs.4.00 lakhs (excluding applicable taxes) plus reimbursement of out-of-pocket expenses, as approved by the Board of Directors of the Company, to be paid to M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad, Cost Auditors (Firm Registration No. 000042), to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2023.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this Resolution.”

By Order of the Board
For **Andhra Paper Limited**

Aravind Matta
Company Secretary &
Vice President (Corporate Affairs)

Registered Office:
Rajahmundry - 533 105
East Godavari District, Andhra Pradesh, India
June 22, 2022

Notes

1. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (**"The Act"**) in respect of Item No. 5 and for item No. 4 as per Regulation 36 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"The SEBI LODR Regulations"**), setting out the details relating to Special and Ordinary business is annexed hereto. Further, disclosures as required under the SEBI LODR Regulations and the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("SS-2") with respect to details of appointee Director are provided in **Annexure-1** to this Notice.
2. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular no. 2/2022 dated May 5, 2022 read with the General Circulars dated January 13, 2021, May 5, 2020, April 13, 2020 and April 8, 2020 (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the Members at a common venue. In compliance with the applicable provisions of the Act, the SEBI LODR Regulations and MCA circulars, the AGM of the Company is being held through VC/OAVM.
3. In compliance with the aforesaid MCA Circulars and SEBI Circular No. SEBI/HO/CFD/CMD2/CIR/P/2022/62 dated May 13, 2022, Notice of the 58th AGM along with the Annual Report 2021-22 is being sent only through electronic mode to those Members whose e-mail addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2021-22 will also be available on the Company's website: <https://www.andhrpaper.com>, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at <https://www.bseindia.com> and <https://www.nseindia.com> respectively, and on the website of KFin Technologies Limited at <https://www.evoting.kfintech.com>.

However, the Company shall send a hard copy of the Notice of 58th AGM along with Annual Report 2021-22 to those Shareholders who request for the same. Shareholders who require a hard copy of the 58th AGM Notice and Annual Report may send their requests to the E-mail ID: aplinvestorrelations@andhrpaper.com.
4. M/s. KFin Technologies Limited ("KFinTech") will be providing facilities for voting through remote e-voting, for participation in the 58th AGM through VC/OAVM and e-voting during the AGM ("Insta Poll").
5. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
6. Institutional / Corporate Shareholders (i.e. other than individuals/ HUF, NRI etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative(s) to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail through its registered e-mail address to dhr300@gmail.com with a copy marked to evoting@kfintech.com. The scanned image of the above mentioned documents should be in the naming format 'APL_ EVEN NO.'
7. Electronic copy of all the documents referred to in the Notice of the 58th AGM or the Explanatory Statement thereto, shall be made available for inspection to members upon login at KFinTech's e-voting platform at <https://www.evoting.kfintech.com> during the remote e-voting period and up to the date of the 58th AGM.
8. Electronic copy of the 'Register of Directors and Key Managerial Personnel and their Shareholding' maintained under Section 170 of the Act and the 'Register of Contracts or Arrangements' in which Directors of the Company are interested under Section 189 of the Act, shall be accessible to members during 58th AGM, on the e-AGM platform.
9. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.
10. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares, Members are advised to dematerialise the shares held by them in physical form. The ISIN in respect of equity shares is INE435A01028.
11. Securities and Exchange Board of India (SEBI) standardized Common and Simplified Norms for processing Investor's service request by RTAs and norms for furnishing PAN, KYC details and Nomination vide circular No. SEBI/HO/MIRSD_RTAMB/P/CIR/2021/ 655 dated November 3, 2021, inter alia mandated:
 - a. Furnishing of PAN, email address, mobile number, bank account details and nomination by shareholders holding shares in physical form;
 - b. Any service request shall be entertained only upon registration of the PAN, Bank details and the nomination;
 - c. to ensure that Shareholder's PAN is linked to his/her Aadhaar by March 31, 2022 or any other date as may be specified by the Central Board of Direct Taxes to avoid freezing of your folio.

Members holding shares in physical form are requested to notify any change in their address, updation of bank particulars / NECS mandate, Mobile Number, Registration of Nomination and change in signature immediately to the Registrar and Transfer Agents, KFin Technologies Limited, Selenium Tower - B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 (“RTA”) in the formats as given below:

Sl. No.	Particulars	Form No.
1	PAN	
2	Address	
3	E-mail address	
4	Mobile Number	ISR-1
5	Demat account details	
6	Bank account details	
7	Updation/Registration of Signature	ISR-2
8	Nomination details *	SH-13
9	Declaration to opt out nomination *	ISR-3

* In case you are opting out for giving nomination, please submit Form ISR-3 and Form SH-13 need not be submitted.

Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz. Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service request by submitting a duly filled and signed Form ISR – 4.

The above said forms can be downloaded from the website of the Company at <https://www.andhrpaper.com> and RTA at <https://www.kfintech.com>.

The same has already been intimated to the Shareholders, and the relevant formats were also forwarded, vide letter dated January 27, 2022, by the Company's RTA.

12. Members are requested to note that dividends, if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund (IEPF).
13. In terms of Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Amendment Rules, 2016 (Rules) notified by Ministry of Corporate Affairs, the Company had transferred equity shares in respect of which dividend had not been paid or claimed by the shareholders for a period of seven consecutive years or more to Investor and Education Protection Fund Authority (IEPF Authority). The details of the dividend and shares transferred to IEPF Authority

and the procedure to claim the dividend and shares from the IEPF Authority are available on the Company's website under Investor Relations. The Members, whose unclaimed dividends/ shares have been transferred to IEPF, may claim the same by making an application to the IEPF Authority in Form No. IEPF- 5 available on <https://www.iepf.gov.in>.

14. Dividend payment and Tax on Dividend:

- i. The Record date for the purposes of this AGM and for determining entitlement of Members to final dividend for the financial year ended March 31, 2022, if approved at the AGM, is Friday, August 5, 2022
- ii. The dividend, as recommended by the Board of Directors, if declared at the 58th AGM, will be paid within 30 days from the date of declaration as under:

(a) To all the Beneficial Owners as at the end of the day on Friday, August 5, 2022, as per the list of beneficial owners to be furnished by the National Securities Depository Limited and Central Depository Services (India) Limited in respect of the shares held in electronic form; and

(b) To all Members, in respect of shares held in physical form, whose names appear in the Register of Members as on Friday, August 5, 2022.

Members who are unable to receive the dividend directly in their bank accounts through Electronic Clearing Service or any other means, due to non-registration of the Electronic Bank Mandate, the Company shall dispatch the dividend warrant/ Bankers' cheque/ demand draft to such Members, subject to availability of postal services and /or courier services.

- iii. Members may note that in terms of the Income Tax Act, 1961, as amended by the Finance Act, 2020, dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update/register their valid PAN with the Company/ RTA (in case of shares held in physical mode) and depositories (in case of shares held in demat mode).
- iv. A Resident individual shareholder with PAN and who is not liable to pay income tax can submit a yearly declaration in Form No. 15G/15H, to avail the benefit of non-deduction of tax at source by uploading the documents on the link <https://ris.kfintech.com/form15/>. on or before August 1, 2022. Shareholders are requested to note that in case their PAN is not updated/registered, the tax will be deducted at a higher rate of 20%.

- v. Non-resident shareholders can avail beneficial rates under tax treaty between India and their country of residence, subject to providing necessary documents i.e. No Permanent Establishment and Beneficial Ownership Declaration, Tax Residency Certificate, Form 10F, and any other document which may be required to avail the tax treaty benefits by uploading the documents on or before August 1, 2022 on the link <https://ris.kfintech.com/form15/>. No communication would be accepted from Members after August 1, 2022 regarding the tax withholding matters.
- vi. TDS will be deducted at prescribed higher rates for specified persons, as per the provisions of section 206AB of the Income Tax Act, 1961.

15. E-VOTING FACILITY

- i. In compliance with the provisions of Section 108 of the Act read with Rules made thereunder and Regulation 44 of the SEBI LODR Regulations, the Company is offering e-voting facility to all Members of the Company. The voting rights of the Members shall be in proportion to the number of shares held by them in the equity share capital of the Company as on the cut-off date i.e. Friday, August 5, 2022.
- ii. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners (in case of electronic shareholding) maintained by the Depositories as on the cut-off date i.e. Friday, August 5, 2022 shall only be entitled to avail the facility of remote e-voting/e-voting at the AGM. KFintech will be facilitating e-voting to enable the Members to cast their votes electronically.

A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

- iii. The remote e-voting facility will be available during the following period:

Commencement of remote e-voting: From 9.00 A.M. (IST) on Tuesday, August 9, 2022

End of remote e-voting : At 5.00 P.M. (IST) on Thursday August 11, 2022

The remote e-voting will not be allowed/available beyond the aforesaid date and time and the remote e-voting module shall be disabled/blocked by KFintech upon expiry of aforesaid period. Once the vote on a Resolution is cast by the Member(s), they shall not be allowed to change it subsequently or cast the vote again.

- iv. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual

shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update/register their mobile number and email Id in their demat accounts in order to access e-Voting facility.

- v. The details of the process and manner for remote e-Voting are explained herein below:

Step 1 : Access to Depositories e-Voting system in case of individual shareholders holding shares in demat mode.

Step 2 : Access to KFintech e-Voting system in case of shareholders holding shares in physical mode and non-individual shareholders in demat mode.

Step 1: Login method for remote e-Voting for Individual shareholders holding securities in demat mode

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>1. User already registered for IDeAS facility:</p> <ul style="list-style-type: none"> I. Visit URL: https://eservices.nsdl.com. II. Click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting". IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period. <p>2. User not registered for IDeAS e-Services</p> <ul style="list-style-type: none"> I. To register click on link : https://eservices.nsdl.com. II. Select "Register Online for IDeAS" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp. III. Proceed with completing the required fields. IV. Follow steps given in points 1.

Type of shareholders	Login Method
	<p>3. Alternatively, by directly accessing the e-Voting website of NSDL</p> <ol style="list-style-type: none"> I. Open URL: https://www.evoting.nsdl.com/. II. Click on the icon “Login” which is available under ‘Shareholder/Member’ section. III. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. IV. Post successful authentication, you will be requested to select the name of the company and the e-Voting Service Provider name, i.e. KFinTech. V. On successful selection, you will be redirected to KFinTech e-Voting page for casting your vote during the remote e-Voting period.
Individual Shareholders holding securities in demat mode with CDSL	<p>1. Existing user who have opted for Easi / Easiest</p> <ol style="list-style-type: none"> I. Visit URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com. II. Click on New System Myeasi. III. Login with your registered User ID and Password. IV. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFinTech e-Voting portal. V. Click on e-Voting service provider name to cast your vote. <p>2. User not registered for Easi/ Easiest</p> <ol style="list-style-type: none"> I. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration. II. Proceed with completing the required fields. III. Follow the steps given in point 1.

Type of shareholders	Login Method
	<p>3. Alternatively, by directly accessing the e-Voting website of CDSL</p> <ol style="list-style-type: none"> I. Visit URL: www.cdslindia.com. II. Provide your Demat Account Number and PAN No. III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the Demat Account. IV. After successful authentication, user will be provided links for the respective ESP, i.e. KFinTech where the e- Voting is in progress.
Individual Shareholder login through their demat accounts / Website of Depository Participant	<ol style="list-style-type: none"> I. You can also login using the login credentials of your demat account through your DP registered with NSDL /CDSL for e-Voting facility. II. Once logged-in, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL / CDSL Depository site after successful authentication, wherein you can see e-Voting feature. III. Click on options available against company name or e-Voting service provider – KFinTech and you will be redirected to e-Voting website of KFinTech for casting your vote during the remote e-Voting period without any further authentication.
	<p>Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID / Forgot Password option available at respective websites.</p> <p>Helpdesk for Individual Members holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.</p>
Login type	Helpdesk details
Securities held with NSDL	Please contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at Toll Free Number: 1800 1020 990 and 1800 22 44 30
Securities held with CDSL	Please contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

Step 2: Login method for e-Voting for shareholders, other than Individual shareholders, holding securities in demat mode and shareholders holding securities in physical mode.

- (A) Members whose email IDs are registered with the Company/ Depository Participant(s), will receive an email from KFinTech which will include details of E-Voting Event Number (EVEN), user ID and password. They will have to follow the following process:
- i. Launch internet browser by typing the URL: <https://emeetings.kfintech.com/>.
 - ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be EVEN (E-Voting Event Number) xxxx, followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with KFinTech for e-voting, you can use your existing User ID and password for casting the vote.
 - iii. After entering these details appropriately, click on "LOGIN".
 - iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$, etc.). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. **It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.**
 - v. You need to login again with the new credentials.
 - vi. On successful login, the system will prompt you to select the "EVEN" i.e., 'xxxx - AGM' and click on "Submit".
 - vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as displayed/ disclosed on the screen. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
 - viii. Shareholders holding multiple folios/demat accounts shall choose the voting process separately for each folio/ demat account.
- ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.
- x. You may then cast your vote by selecting an appropriate option and click on "Submit".
- xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the Resolution (s), you will not be allowed to modify your vote. **During the voting period, Members can login any number of times till they have voted on the Resolution(s).**
- (B) Members whose email IDs are not registered with the Company/Depository Participant(s), and consequently on whom, the Annual Report, Notice of AGM and e-voting instructions cannot be served, will have to follow the following process:
- I. Members who have not registered their email address, may temporarily get their email address and mobile number registered with KFinTech for the purpose of receiving Annual Report, Notice of AGM and e-voting instructions, by accessing the link: <https://ris.kfintech.com/clientservices/mobileereg/mobileemailreg.aspx>. Members are requested to follow the process as guided to capture the email address and mobile number for receiving the soft copy of the notice, Annual Report and e-voting instructions along with the User ID and Password. In case of any queries, member may write to einward.ris@kfintech.com.
 - II. Alternatively, member may send an e-mail request at the email id einward.ris@kfintech.com along with scanned copy of the signed request letter providing the email address, mobile number, self-attested PAN copy and Client Master copy in case of electronic folio and copy of share certificate in case of physical folio for sending the Annual Report, Notice of AGM and the e-voting instructions.
 - III. After receiving the e-voting instructions, please follow all steps narrated/mentioned above to cast your vote by electronic means.
- In case a person has become a Member of the Company after dispatch of AGM Notice but on or before the cut-off date for E-voting, he/she may obtain the User ID and Password in the manner as mentioned below:
- If the mobile number of the member is registered against Folio No./ DP ID Client ID, the member may send SMS: MYEPWD <space> E-Voting Event Number+Folio No. or DP ID Client ID to 9212993399

1. Example for NSDL :
MYEPWD <SPACE> IN12345612345678
2. Example for CDSL :
MYEPWD <SPACE> 1402345612345678
3. Example for Physical :
MYEPWD <SPACE> 1234567890

If e-mail address or mobile number of the member is registered against Folio No. / DP ID Client ID, then on the home page of <https://evoting.kfintech.com/>, the member may click "Forgot Password" and enter Folio No. or DP ID Client ID and PAN to generate a password.

Members may call KFintech toll free number 1-800-309-4001 for all e-voting related matters. Member may send an e-mail request to einward.ris@kfintech.com for all e-voting related matters.

16. Instructions for Members for attending the e-AGM:

- a) Facility of joining the AGM through VC / OAVM shall open 15 minutes before the time scheduled for the start of AGM and will be closed on expiry of 15 minutes after such scheduled time of AGM
 - b) Facility of joining the AGM through VC / OAVM shall be available for at least 1,000 members on first come first served basis. However, the participation of members holding 2% or more shares, Promoters, Institutional Investors, Directors, Key Managerial Personnel, Chairpersons of Audit Committee, Stakeholders' Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis
 - c) Member will be provided with a facility to attend the AGM through VC / OAVM platform provided by KFintech. Members may access the same at <https://emeetings.kfintech.com/> by using the e-voting login credentials provided in the email received from the Company/KFintech. After logging in, click on the Video Conference tab and select the EVEN of the Company. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in Point No. 15
 - d) Members are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22
 - e) Members will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is, therefore, recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches
 - f) Members, who would like to express their views or ask questions during the e-AGM will have to register themselves as a speaker by visiting the URL <https://emeetings.kfintech.com> and clicking on the tab 'Speaker Registration' and mentioning their registered e-mail id, mobile number and city, during the period starting from Monday, August 8, 2022 (9.00 A.M. IST) up to Wednesday, August 10, 2022 (5.00 P.M. IST). Only those members who have registered themselves as a speaker will be allowed to express their views/ask questions during the e-AGM and the maximum time per speaker will be restricted to 3 minutes, depending on the number of speakers and available time.
- The Company reserves the right to restrict the number of speakers depending on the availability of time for the e-AGM. Please note that questions of only those Members will be entertained/considered who are holding shares of Company as on the cut-off date i.e. August 5, 2022
- g) Alternatively, Members holding shares as on the cut-off date may also visit <https://emeetings.kfintech.com> and click on the tab 'Post Your Queries' and post their queries/ views/questions in the window provided, by mentioning their name, demat account number/folio number, email ID and mobile number. Members may post their queries from Monday, August 8, 2022 till Wednesday, August 10, 2022
 - h) A video guide assisting the members attending e-AGM either as a speaker or participant is available for quick reference at URL <https://cruat04.kfintech.com/emeetings/video/howitworks.aspx>
 - i) Members who need technical or other assistance before or during the e-AGM can contact KFintech by sending email at emeetings@kfintech.com or Helpline: 1800 309 4001 (toll free)

17. Voting at e-AGM

- a. Only those members/shareholders, who will be participating in the e-AGM through VC/OAVM facility and have not already cast their vote earlier through remote e-voting are eligible to vote through e-voting during the e-AGM
- b. Members who have voted through remote e-voting will also be eligible to attend the e-AGM
- c. Members attending the e-AGM shall be counted for the purpose of reckoning the quorum of AGM under Section 103 of the Companies Act, 2013
- d. Upon declaration by the Chairperson about the commencement of e-voting at e-AGM, Members shall click on the "Vote" sign on the left-hand bottom corner of their video screen for voting at the e-AGM, which will take them to the 'Instapoll' page.
- e. Members to click on the "Instapoll" icon to reach the resolution page and follow the instructions to vote on the resolutions

18. Other information:

The Board of Directors have appointed M/s. D. Hanumanta Raju & Co. Company Secretaries, B-13, F-1 & F-2, P.S. Nagar, Vijayanagar Colony, Hyderabad - 500 057 as Scrutiniser, to scrutinise the e-voting process in a fair and transparent manner. The Scrutiniser shall, after the conclusion of voting at the AGM, submit his report within the prescribed timelines, to the Chairperson of the Company or any person authorized in that respect and the results of voting will be announced within two working days from the conclusion of the AGM of the Company. The results declared along with the Scrutiniser's report shall be placed on the Company's website at www.andhraper.com and on the website of KFintech viz. <https://evoting.kfintech.com> and shall also be communicated to the stock exchanges viz. BSE Limited & National Stock Exchange of India Limited, where the shares of the Company are listed. The resolutions shall be deemed to be passed at the AGM of the Company subject to obtaining requisite votes thereto.

EXPLANATORY STATEMENT AS PER SECTION 102 OF THE COMPANIES ACT, 2013 IN RESPECT OF THE SPECIAL BUSINESS & AS PER REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 IN RESPECT OF APPOINTMENT OF AUDITORS.

Item No. 4

In terms of provisions of Section 139 of the Companies Act, 2013 and the Rules made thereunder, M/s. Deloitte Haskins & Sells will be completing two terms of five consecutive years as Statutory Auditors of the Company at the ensuing Annual General Meeting and hence it is proposed to appoint M/s. MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W) as Auditors of the Company.

The Board at their Meeting held on May 5, 2022, recommended a remuneration not exceeding Rs.33.00 lakhs (excluding applicable taxes) plus reimbursement of out-of-pocket expenses to M/s. MSKA & Associates, towards Statutory Audit Fees, Limited Reviews Certification Fees and other Certification Fees for the financial year 2022-23, for approval by the Members at the ensuing Annual General Meeting. The remuneration payable to M/s. MSKA & Associates for the financial years 2023-24 to 2026-27, will be determined by the Board on the recommendation of Audit Committee.

M/s. MSKA & Associates have given their consent to act as Auditors of the Company and have confirmed that the said appointment if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Companies Act, 2013.

M/s. Deloitte Haskins & Sells were paid a fees of Rs.70.58 lakhs for the financial year 2021-22.

Basis of recommendation for appointment of M/s. MSKA & Associates, Chartered Accountants as Statutory Auditors and their credentials:

The Audit Committee considered various parameters like capability to serve, audit experience in the company's business, market standing of the firm, clientele served, technical knowledge etc. and found M/s. MSKA & Associates, Chartered Accountants (Firm Registration No. 105047W) to be the best suited to audit the financial statements of the Company. Considering all the parameters, the Audit Committee recommended appointment of M/s. MSKA & Associates and the fees payable to them, for consideration of the Board.

The Board after considering the recommendations of the Audit Committee, further recommend to the Members, the appointment of M/s. MSKA & Associates, Chartered Accountants, as Statutory Auditors of the Company at the ensuing Annual General Meeting, for a term of 5 years with respect to the financial years from 2022-23 to 2026-27.

None of the Directors and Key Managerial personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise in the Resolution as set out at Item No. 4.

The Board commends the Resolution as set out at item No. 4 of the Notice for approval by the Members.

Item No. 5

Pursuant to the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, and on the recommendation of the Audit Committee, the Board of Directors at its Meeting held on May 5 2022, subject to the ratification of the remuneration by the Members, approved the re-appointment of M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad as Cost Auditors of the Company for the financial year ending March 31, 2023 and also payment of remuneration of Rs.4.00 lakhs (excluding applicable taxes) plus reimbursement of out-of-pocket expenses.

None of the Directors, Key Managerial Personnel of the Company and their relatives are concerned or interested, financially or otherwise in the Resolution as set out at Item No. 5.

The Board commends the Resolution as set out at item No. 5 of the Notice for approval by the Members.

By Order of the Board
For **Andhra Paper Limited**

Aravind Matta
Company Secretary &
Vice President (Corporate Affairs)

Registered Office:
Rajahmundry - 533 105
East Godavari District, Andhra Pradesh, India
June 22, 2022

Annexure -1

Particulars of Director seeking re-appointment (Pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015 and Secretarial Standard - 2)

Name of the Director	Mr. Virendraa Bangur
DIN	00237043
Date of Birth & Age	March 19, 1975 & 47 years
Qualifications	B.Com
Experience/Nature of expertise in specific functional areas	Industrialist & Entrepreneur
First date of appointment	December 30, 2019
Relationship with other Directors and Key Managerial Personnel of the Company	Related to Mr. Shree Kumar Bangur (Father) and Mr. Saurabh Bangur (Brother)
Number of shares held in the Company, including shareholding as a beneficial owner	NIL
Directorships held in other Companies including Listed companies & Listed Companies from which resigned in the past 3 years	<p>Listed:</p> <ol style="list-style-type: none"> 1. West Coast Paper Mills Limited; 2. Jayshree Chemicals Limited; 3. Taparia Tools Limited; <p>Unlisted:</p> <ol style="list-style-type: none"> 4. West Coast Opticable Limited; 5. Gloster Cables Limited; 6. Gold Mohore Investment Co. Ltd; 7. Kilkotagiri and Thirumbadi Plantations Ltd; 8. Akhivi Tea Plantations and Agro Industries Limited; 9. Shree Satyanarayan Properties Pvt. Ltd; 10. Bangur Exim Private Limited. <p>During the last three years, he did not resign from any of the listed Companies</p>
Chairmanship / Membership of the Committees in other Companies including Listed Companies	<p>Listed:</p> <ol style="list-style-type: none"> 1. Jayshree Chemicals Limited – Member of Nomination & Remuneration Committee; 2. West Coast Paper Mills Limited – Chairman of CSR Committee and Risk Management Committee
Number of Board Meetings attended during the year 2021-22	4
Terms & Conditions and details of Remuneration sought to be paid	He is liable to retire by rotation. No remuneration is payable except sitting fees for attending the Meetings of Board and Board Committees
Skills and capabilities required and the manner in which he/she meets the requirements	Mr. Virendraa Bangur is a proven Industrialist and has a distinct experience, inter alia, in paper, newsprint, chemicals, IT, electronic, Optic fibre, Power cable and plantations industries
Justification for choosing the Appointee - The Board believes that his commendable industry experience, skill set and expertise, would be of immense benefit to the Company and hence chosen for his reappointment	



Andhra Paper Limited

(CIN: L21010AP1964PLC001008)
<http://www.andhraper.com/>