



August 25, 2020

Department of Corporate Services,
BSE Limited,
14th Floor,
P.J. Towers, Dalal Street,
MUMBAI :: 400 001

Listing Department,
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: Forwarding copies of Notice of 56th AGM and Annual Report 2019-20 of the Company as required under Regulation 34 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

Pursuant to Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose copies of the Notice of 56th Annual General Meeting and Annual Report for the financial year ended March 31, 2020, which are being circulated to the Members of the Company.

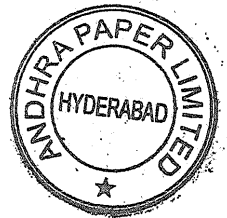
Copies of Notice of 56th AGM and Annual Report 2019-20 are available on the website of the Company at www.andhrapaper.com.

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

(Formerly known as International Paper APPM Limited)
(Corporate Identity Number: L21010AP1964PLC001008)

Regd. Office: Rajahmundry – 533 105, East Godavari Dist., Andhra Pradesh, India.

Corp. Office: 8th floor, Krishe Sapphire Building, 1-89/3/B40 to 42/KS/801,

Hitec City Main Road, Madhapur, Hyderabad 500081

Tel: +91-40-6810-1200 Fax: +91-40-6810-1255

Website: www.andhrapaper.com

An ISO 9001, ISO 14001, ISO 45001 and FSC® Certified Company (FSC® - C119477)



ANDHRA PAPER LIMITED

(Formerly known as International Paper APPM 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 56th Annual General Meeting of the Members of Andhra Paper Limited (formerly known as International Paper APPM Limited) ("The Company") will be held on Monday, September 21, 2020 at 11.00 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, 2020 and the Reports of the Board of Directors and the Auditors thereon.

SPECIAL BUSINESS

2. **Appointment of Mr. Shree Kumar Bangur as a Director and Chairman & Managing Director of the Company**

To consider and, if thought fit, to pass, with or without modification, the following Resolution, as a **Special Resolution**:

"RESOLVED THAT Mr. Shree Kumar Bangur (DIN 00053237), who was appointed as an Additional Director of the Company by the Board of Directors effective October 30, 2019 in terms of Section 161 (1) of the Companies Act, 2013 ("the Act") and Article 89 of the Articles of Association of the Company, whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, not liable to retire by rotation.

FURTHER RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], approval be and is hereby accorded for appointment of Mr. Shree Kumar Bangur (DIN 00053237) as Chairman & Managing Director of the Company, 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."

3. **Appointment of Mr. Anish T. Mathew as a Director and Whole-time Director of the Company**

To consider and, if thought fit, to pass, with or without modification, the following Resolution, as a **Special Resolution**:

"RESOLVED THAT Mr. Anish T. Mathew (DIN 07995480), who was appointed as an Additional Director of the Company by the Board of Directors effective October 30, 2019 in terms of Section 161 (1) of the Companies Act, 2013 ("the Act") and Article 89 of the Articles of Association of the Company, whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to retire by rotation.

FURTHER RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 [including any statutory modification(s) or re-enactment(s) thereof, for the time being in force], approval of the Company be and is hereby accorded for the appointment of Mr. Anish T. Mathew (DIN 07995480) as a 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 on such terms and conditions including remuneration, as set out in the Explanatory Statement annexed to this Notice, and also for payment of the said remuneration as minimum remuneration in the event of loss or inadequacy of profits in any financial year during his tenure of appointment, with authority to the Board of Directors (hereinafter referred to as "the Board", which term shall include any Committee thereof) to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Board and Mr. Anish T. Mathew."

4. **Appointment of Mr. Rajendra Jain as a Non-Executive Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following Resolution as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Rajendra Jain (DIN 07250797), who was appointed as an Additional Director of the Company by the Board of Directors effective October 30, 2019 in terms of Section 161 (1) of the Companies Act, 2013 ("the Act") and Article 89 of the Articles of Association of the Company, whose term of office expires at this Annual General Meeting and in respect of whom the Company has

received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Non-Independent Director of the Company, whose period of office shall be liable to retire by rotation."

5. **Appointment of Mr. Virendraa Bangur as a Non-Executive Director of the Company**

To consider and if thought fit, to pass with or without modification(s), the following Resolution, as an **Ordinary Resolution**:

"RESOLVED THAT Mr. Virendraa Bangur (DIN 00237043), who was appointed as an Additional Director of the Company effective December 30, 2019 in terms of Section 161 (1) of the Companies Act, 2013 ("the Act") and Article 89 of the Articles of Association of the Company, whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Non-Executive Non-Independent Director of the Company, whose period of office shall be liable to retire by rotation."

6. **Appointment of Mr. Sudarshan V. Somani as an Independent Director of the Company**

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 149, 150, 152 and other applicable provisions of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014 read with Schedule IV of the Act and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Sudarshan V. Somani (DIN 00137568), in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of three consecutive years from October 30, 2019 to October 29, 2022."

7. **Appointment of Mr. Arun Kumar Sureka as an Independent Director of the Company**

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 149, 150, 152 and other applicable provisions of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014 read with Schedule IV of the Act and the applicable provisions of SEBI

(Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Arun Kumar Sureka (DIN 00055934), in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of three consecutive years from October 30, 2019 to October 29, 2022."

8. **Appointment of Ms. Veni Mocherla as an Independent Director of the Company**

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 149, 150, 152 and other applicable provisions of the Companies Act, 2013 ("the Act"), the Companies (Appointment and Qualifications of Directors) Rules, 2014 read with Schedule IV of the Act and the applicable provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), Ms. Veni Mocherla (DIN 08082163), in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing her candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, for a term of three consecutive years from December 30, 2019 to December 29, 2022."

9. **Appointment of Mr. Saurabh Bangur as a Director and Joint Managing Director of the Company**

To consider and, if thought fit, to pass, with or without modification, the following Resolution, as a **Special Resolution**:

"RESOLVED THAT Mr. Saurabh Bangur (DIN 00236894), who was appointed as an Additional Director of the Company by the Board of Directors effective June 1, 2020 in terms of Section 161 (1) of the Companies Act, 2013 ("the Act") and Article 89 of the Articles of Association of the Company, whose term of office expires at this Annual General Meeting and in respect of whom the Company has received a notice in writing from a Member under Section 160 of the Act proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company, whose period of office shall be liable to retire by rotation.

FURTHER RESOLVED THAT pursuant to the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any, of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-

enactment (s) thereof, for the time being in force), approval of the Company be and is hereby accorded for the appointment of Mr. Saurabh Bangur (DIN 00236894) as Joint Managing Director of the Company for a period of three years from June 1, 2020 to May 31, 2023 on such terms and conditions including remuneration, as set out in the Explanatory Statement annexed to this Notice, and also for payment of the said remuneration as minimum remuneration in the event of loss or inadequacy of profits in any financial year during his tenure of appointment, with authority to the Board of Directors (hereinafter referred to as "the Board", which term shall include any Committee thereof) to alter and vary the terms and conditions of the said appointment in such manner as may be agreed between the Board and Mr. Saurabh Bangur.

FURTHER RESOLVED THAT pursuant to Regulation 17(6) (e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions, if any, consent be and is hereby also given for payment of the above remuneration to Mr. Saurabh Bangur, Joint Managing Director, in the event his annual remuneration exceeds the limits prescribed under the aforesaid Regulation, in any financial year during his tenure of appointment."

10. 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 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 remuneration of Rs.7.00 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, 2021 be and is hereby ratified and confirmed.

FURTHER RESOLVED 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
August 7, 2020

Notes

1. The Explanatory Statement pursuant to Section 102 of the Act setting out details relating to Special Business in respect of Item Nos. 2 to 10 is annexed hereto. Item Nos. 2 to 10 have been included as Special Business, as the same are considered by the Board as unavoidable in nature. Further, disclosures as required under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("The SEBI Listing 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 Directors 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 circular dated May 5, 2020 read with circulars dated April 8, 2020 and April 13, 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 provisions of the Companies Act, 2013 ("The Act"), The SEBI Listing 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 dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 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 2019-2020 will also be available on the Company's website www.andrapaper.com, websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the website of KFin Technologies Private Limited at www.evoting.karvy.com.
4. M/s. KFin Technologies Private Limited (formerly known as Karvy Fintech Private Limited and earlier Karvy Computershare Private Limited) ("Kfintech") will be providing facilities for voting through remote e-voting, for participation in the 56th 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 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@karvy.com. The scanned image of the above mentioned documents should be in the naming format 'APL_EVEN NO.' Institutional investors are encouraged to attend and vote at the meeting through VC.
7. Members attending the AGM through VC / OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Act.
 8. As per SEBI guidelines, no physical transfer of shares is permitted. Members can dematerialize their equity shares in the Company through their Depository Participant(s). The ISIN in respect of equity shares is INE435A01028.
 9. Members holding shares in physical form are requested to notify any change in their address immediately to the Registrar and Transfer Agents, KFin Technologies Private Limited, Karvy Selenium Tower B, Plot No. 31 & 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032 ("RTA") and those Members holding shares in electronic form should inform change in their address to their Depository Participant(s).
 10. As per the provisions of Section 72 of the Act, facility for making nomination is available to the investors in respect of the shares held by them in physical form. The investor holding shares in physical form can download the nomination form SH-13 as prescribed in Rule 19(1) of the Companies (Share Capital and Debentures) Rules, 2014 from the Company's website: www.andhrapaper.com. In respect of shares held in electronic form, the nomination should be recorded with the respective Depository Participants. The Company would not accept any nomination in respect of the shares held in electronic form.
 11. NECS Mandate form is also placed on the Company's website. Interested Members holding shares in physical form can download this form from the Company's website.
 12. The Act provides for compliances in electronic mode by Companies. Investor should register/update their E-mail IDs with RTA/DP to receive circulars/ newsletters/ notices/ annual reports sent by the Company from time to time. Members who have not registered their E-mail addresses so far, are requested to register their E-mail addresses, in respect of electronic holdings, with their respective Depository Participants and Members who hold shares in physical form are requested to download 'E-Communication Registration Form' from the Company's website and send the duly filled-in and signed form to RTA.
13. Members are requested to note that dividends if not encashed for a 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).
 14. 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 so transferred to 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 www.iepf.gov.in.
 15. **Inspection of Documents:** Electronic copy of all the documents referred to in the Notice of the 56th AGM and the Explanatory Statement thereto, shall be made available for inspection to members upon login at Kfintech's e-voting platform at <https://www.evoting.karvy.com> up to the date of the 56th AGM.
 16. 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 Contract and Arrangements' in which Directors of the Company are interested under Section 189 of the Act, shall be accessible to members during 56th AGM.
 17. Since the AGM will be held through VC / OAVM, the Route Map is not annexed to this Notice.
 18. Process for registering e-mail addresses to receive this Notice of AGM and Annual Report electronically and cast votes electronically:
 - (i) **Registration of e-mail addresses with Kfintech:**

The Company has made special arrangements with the RTA for registration of e-mail addresses of those Members (holding shares either in electronic or physical form) who wish to receive this Notice electronically and cast votes electronically. Eligible Members whose e-mail addresses are not registered with the Company / DPs are required to provide the same to the RTA on or before 5:00 p.m. IST on September 13, 2020.
 - (ii) **Process to be followed for registration of e-mail address:**

Members may directly register their e-mail address and mobile number through https://ris.kfintech.com/email_registration/ for receiving

a soft copy of the documents relating to the 56th AGM.

After successful submission of the e-mail address, Kfintech will e-mail a copy of this AGM Notice and Annual Report 2019-20 along with the e-Voting user ID and password. In case of any queries, Members may contact Mr. Raghunath Veedha on (040) 6716 1606 or write mail at emeetings@kfintech.com.

A. Instructions for attending the AGM:

1. Members will be able to attend the AGM through VC / OAVM at <https://emeetings.kfintech.com> by using their e-voting login credentials. Members are requested to follow the procedure given below:

- i. Launch internet browser (chrome/firefox/ safari) by typing the URL: <https://emeetings.kfintech.com>.
- ii. Enter the login credentials (i.e., User ID and password for e-voting).
- iii. After logging in, click on "Video Conference" option
- iv. Then click on camera icon appearing against AGM event of Andhra Paper Limited, to attend the Meeting.

Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the procedure given in the E-voting instructions.

2. Members may join the AGM through Laptops, Smartphones, Tablets or iPads for better experience. Further, Members will be required to use internet with a good speed to avoid any disturbance during the AGM. Members will need the latest version of Chrome, Safari, Internet Explorer 11, MS Edge or Mozilla Firefox. Please note that participants connecting from Mobile Devices or Tablets or through Laptops 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 glitches. Members will be required to grant access to the web-cam to enable two-way video conferencing.
3. 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 scheduled time of AGM.
4. Facility of joining the AGM through VC / OAVM shall be available for atleast 1000 members on first come first served basis. However, the participation of members holding 2% or more shares, Promoters, Institutional Investors, Directors, Key Managerial Personnel,

Chairman of Audit Committee, Stakeholders Relationship Committee, Nomination and Remuneration Committee and Auditors are not restricted on first come first serve basis.

5. Members who would like to express their views or ask questions during the AGM may register themselves by logging on to <https://emeetings.kfintech.com> and clicking on the 'Speaker Registration' option available on the screen after log in. The Speaker Registration will be open from 9:00 A.M. (IST) on Thursday, September 17, 2020 till 5:00 P.M. (IST) on Saturday, September 19, 2020. Only those Members who are registered will be allowed to express their views or ask questions. The Company reserves the right to restrict the number of questions and number of speakers, depending upon availability of time as appropriate for smooth conduct of the AGM.
6. 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 9:00 A.M. (IST) on Thursday, September 17, 2020 till 5:00 P.M. (IST) on Saturday, September 19, 2020.
7. Members who need technical assistance before or during the AGM, can contact Kfintech at 18003454001 (toll free) or contact Mr. Raghunath Veedha on (040) 6716 1606 or write mail at emeetings@kfintech.com.

B. Instructions for e-voting:

1. In compliance with the provisions of Section 108 of the Act read with Rules made thereunder and Regulation 44 of the SEBI Listing Regulations, the Company is offering e-voting facility to all Members of the Company. 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. Monday, September 14, 2020 only shall be entitled to avail the facility of remote e-voting/e-voting at the AGM. Kfintech will be facilitating remote e-voting to enable the Members to cast their votes electronically. Members can cast their vote online from 9:00 A.M. (IST) on Friday, September 18, 2020 till 5:00 P.M. (IST) on Sunday, September 20, 2020. At the end of remote e-voting period, the facility shall forthwith be blocked.
2. The Members who have cast their vote by remote e-voting prior to the AGM may also attend/participate in the AGM through VC / OAVM but shall not be allowed to change it subsequently and entitled to cast their vote again.

3. The Members present in the AGM through VC / OAVM facility and have not cast their vote on the Resolutions through remote e-voting, and are otherwise not barred from doing so, shall be eligible to vote through e-voting system during the AGM ("Insta Poll").

4 Procedure for e-voting:

- a. Open your web browser during the remote e-voting period and navigate to <https://evoting.karvy.com>.
- b. Enter the login credentials (i.e., user-id and password) Your Folio No. / DP ID No. / Client ID No. will be your User- ID.

User – ID For Members holding shares in Demat Form:-

For NSDL :- 8 Character DP ID followed by 8 Digits Client ID.

For CDSL :- 16 digits beneficiary ID.

User ID : For Members holding shares in Physical Form:-

Event Number followed by Folio No. registered with the Company.

Password: Your unique password is sent via e-mail forwarded through the electronic notice.

Captcha: Please enter the verification code i.e. the alphabets and numbers in the exact way as they are displayed for security reasons.

- c. After entering these details appropriately, click on "LOGIN".
- d. Members holding shares in Demat / Physical form will now reach Password Change menu wherein they are required to mandatorily change their login password in the new password field. The new password has to be minimum eight characters consisting of at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@, #,\$, etc.). Kindly note that this password can be used by the Demat holders for voting in any other Company on which they are eligible to vote, provided that the other company opts for e-voting through Kfintech e-voting platform. System will prompt you to change your password and update your contact details like mobile number, e-mail ID, etc. on first login. You may also enter the secret question and answer of your choice to retrieve your password in case you forget it.
- e. You need to login again with the new credentials.

- f. On successful login, system will prompt you to select the 'Event' i.e. 'Company Name'.

- g. If you are holding shares in Demat form and had logged on to <https://evoting.karvy.com> and have cast your vote earlier for any company, then your existing login ID and password are to be used.

- h. On the voting page, you will see Resolution Description and against the same the option 'FOR / AGAINST / ABSTAIN' for voting. Enter the number of shares (which represents the number of votes) under 'FOR / AGAINST / ABSTAIN' or alternatively you may partially enter any number in 'FOR' and partially in 'AGAINST', but the total number in 'FOR / AGAINST' taken together should not exceed your total shareholding. If you do not wish to vote, please select 'ABSTAIN'.

- i. After selecting the Resolution if you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.

- j. Once you 'CONFIRM' your vote on the Resolution whether partially or otherwise, you will not be allowed to modify your vote.

5. 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 being Monday, September 14, 2020.

Any person who acquires shares of the Company and becomes Member of the Company after the date of dispatch of Notice and holds shares as on the cut-off date may obtain the User ID and password/PIN by sending a request to Kfintech.

In case of joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company shall be entitled to vote at the AGM.

6. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/ Password" or "Physical User Reset Password" option available on <https://evoting.karvy.com/> to reset the password.

C. Information and instructions for Insta Poll:

Facility to cast vote through Insta Poll will be made available on the Video Conferencing screen and will be activated once the Insta Poll is announced at the Meeting.

19. 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 voting process in a fair and transparent manner. The Scrutiniser will submit his report to the Chairman or any person authorised by him after completion of the scrutiny and the results of voting will be announced within forty eight hours from the conclusion of the AGM of the Company. Subject to receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of the AGM. The result of the voting will be submitted to the Stock Exchanges, where the shares of the Company are listed and posted on the website of the Company at www.andhrpaper.com and also on the website of Kfintech at <https://evoting.karvy.com>.

EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 2

Consequent upon change of management, Mr. Donald P. Devlin resigned as Chairman & Managing Director of the Company effective closure of office hours on October 30, 2019 and on the recommendation of Nomination and Remuneration Committee, the Board of Directors at the Meeting held on October 30, 2019 appointed Mr. Shree Kumar Bangur, as an Additional Director, effective October 30, 2019. He holds office as Additional Director up to this Annual General Meeting pursuant to Section 161(1) of the Companies Act, 2013 ("The Act") and Article 89 of the Articles of Association of the Company. A notice under Section 160(1) of the Act has been received from a Member of the Company signifying his intention to propose the name of Mr. Shree Kumar Bangur as Director of the Company. His office shall not be liable to retire by rotation.

Further, pursuant to the provisions of Sections 196, 197 of the Act and Schedule V under the Act and Articles of Association of the Company, the Board of Directors appointed Mr. Shree Kumar Bangur as Chairman & Managing Director of the Company for a period of three years, effective October 30, 2019, subject to approval by the Members. Mr. Shree Kumar Bangur is not drawing any remuneration from the Company. The Board's decision as above was notwithstanding the fact that Mr. Shree Kumar Bangur shall attain the age of seventy (70) years during his term as Chairman & Managing Director of the Company.

Mr. Shree Kumar Bangur, Chairman & Managing Director, attained the age of 70 years on November 16, 2019. Mr. Shree Kumar Bangur has rich and varied experience in the paper industry. It would be in the best interests of the Company to avail his considerable expertise.

Accordingly, approval of the Members is sought for passing a Special Resolution for appointment of Mr. Shree Kumar Bangur as Chairman & Managing Director, pursuant to Part-I of Schedule V to the Act and sub-section (3) of Section 196 of the Act and for continuing to hold such directorship post attaining the age of seventy (70) years.

Save as provided in the foregoing paragraph, Mr. Shree Kumar Bangur satisfies all other conditions set out in Part-I of Schedule V to the Act and also conditions set out under sub-section (3) of Section 196 of the Act.

The Board commends the Special Resolution as set out at Item No. 2 of the Notice for approval by the Members as it considers that his association would be of immense benefit to the Company. None of the Directors, Key Managerial Personnel of the Company and their relatives except Mr. Shree Kumar Bangur, being appointee, Mr. Virendraa Bangur, Vice-Chairman and Mr. Saurabh Bangur, Joint Managing Director being relatives of appointee Director, is concerned or interested, financial or otherwise, in the Resolution as set out at Item No. 2.

Item No. 3

On the recommendation of Nomination and Remuneration Committee, the Board of Directors at the Meeting held on October 30, 2019 appointed Mr. Anish T. Mathew, as an Additional Director, effective October 30, 2019. He holds office of Additional Director up to this Annual General Meeting pursuant to Section 161(1) of the Companies Act, 2013 ("the Act") and Article 89 of the Articles of Association of the Company. A notice under Section 160(1) of the Act, has been received from a Member of the Company signifying his intention to propose the name of Mr. Anish T. Mathew for appointment as a Director of the Company.

Further, pursuant to the provisions of Sections 196, 197 of the Act and Schedule V under the Act and Articles of Association of the Company, the Board appointed Mr. Anish T. Mathew as Whole-time Director, designated as Director (Commercial) & Chief Financial Officer of the Company for a period of three years effective October 30, 2019, subject to approval by the Members, on the following terms and conditions -

Remuneration including all the allowances, Management Incentive Pay and benefits such as Provident Fund and Gratuity etc.	Rs.94,19,338 per annum with such increases as may be approved by the Board on the recommendation of Nomination and Remuneration Committee
Medicclaim, Life insurance and personal accident insurance	As applicable to Senior Staff of the Company
Leave	As per Rules applicable to senior staff of the Company
Other benefits, amenities, facilities and perquisites	As per the Policies of the Company

Other conditions	He shall not be paid any sitting fees for attending the Meetings of Board of Directors and Committees of Board
Termination of Contract of appointment	May be terminated by either party by giving three months' notice in writing to the other party

Mr. Anish T. Mathew shall, during the term of office as Whole-time Director, be liable to retire by rotation and his reappointment as Director shall not be deemed to constitute a break in his office of Whole-time Director.

The Board commends the Special Resolution as set out at Item No. 3 of the Notice for approval by the Members as it considers that his association would be of immense benefit to the Company. None of the Directors, Key Managerial Personnel of the Company and their relatives except Mr. Anish T. Mathew, being appointee, is concerned or interested, financial or otherwise, in the Resolution as set out at Item No. 3.

Item No. 4

The Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee appointed Mr. Rajendra Jain as an Additional Director effective October 30, 2019. He holds office up to this Annual General Meeting pursuant to Section 161(1) of the Companies Act, 2013 ("the Act") and Article 89 of the Articles of Association of the Company.

A Notice under Section 160(1) of the Act has been received from a Member of the Company signifying his intention to propose the name of Mr. Rajendra Jain for appointment as Non-Executive Non-Independent Director of the Company. His office shall be liable to retire by rotation. The Board considers that his association would be of immense benefit to the Company.

The Board commends the Ordinary Resolution as set out at Item No. 4 of the Notice for approval by the Members. None of the Directors, Key Managerial Personnel of the Company and their relatives except Mr. Rajendra Jain, being appointee is concerned or interested, financial or otherwise, in the Resolution as set out at Item No. 4.

Item No. 5

The Board of Directors of the Company on the recommendation of Nomination and Remuneration Committee appointed Mr. Virendraa Bangur as an Additional Director effective December 30, 2019. He holds office up to this Annual General Meeting pursuant to Section 161(1) of the Companies Act, 2013 ("the Act") and Article 89 of the Articles of Association of the Company.

A Notice under Section 160(1) of the Act has been received from a Member of the Company signifying his intention to propose the name of Mr. Virendraa Bangur for appointment as Non-Executive Non-Independent Director of the Company. His office shall be liable to retire by

rotation. The Board considers that his association would be of immense benefit to the Company.

The Board commends the Ordinary Resolution as set out at Item No. 5 of the Notice for approval by the Members. None of the Directors, Key Managerial Personnel of the Company and their relatives except Mr. Virendraa Bangur, the appointee, Mr. Shree Kumar Bangur, Chairman & Managing Director and Mr. Saurabh Bangur, Joint Managing Director, being relatives of the appointee Director is concerned or interested, financial or otherwise in the Resolution as set out at Item No. 5.

Item Nos. 6 to 8

Mr. Sudarshan V. Somani and Mr. Arun Kumar Sureka were appointed as Independent Directors of the Company for a term of three years from October 30, 2019 to October 29, 2022, pursuant to the provisions of Section 149 of the Companies Act, 2013 ("The Act") read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and relevant Regulations of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("The SEBI Listing Regulations").

Ms. Veni Mocherla has also been appointed as an Independent Director of the Company for a term of three years from December 30, 2019 to December 29, 2022 pursuant to the aforesaid Regulations.

The Board of Directors, based on the recommendation of Nomination and Remuneration Committee, made the above appointments, subject to approval by the Members.

The Company has received declarations from Mr. Sudarshan V. Somani, Mr. Arun Kumar Sureka and Ms. Veni Mocherla, respectively, that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under the SEBI Listing Regulations and a declaration that they complied with Rule 6 of Companies (Appointment and Qualifications of Directors) Rules, 2014. In the opinion of the Board, Mr. Sudarshan V. Somani, Mr. Arun Kumar Sureka and Ms. Veni Mocherla, fulfill the conditions specified in the Act and the Rules made there under and the SEBI Listing Regulations for their appointment as Independent Directors of the Company, and are independent of the management.

A Notice under Section 160(1) of the Act has been received from a Member of the Company signifying his intention to propose the names of Mr. Sudarshan V. Somani, Mr. Arun Kumar Sureka and Ms. Veni Mocherla for appointment as Non-Executive Independent Directors of the Company.

This statement may also be regarded as an appropriate disclosure under the SEBI Listing Regulations.

Mr. Sudarshan V. Somani, Mr. Arun Kumar Sureka and Ms. Veni Mocherla, do not hold any shares in the Company.

The Board considers that their association would be of immense benefit to the Company and it is desirable to avail their services as Independent Directors and commends the Ordinary Resolutions as set out at Item Nos. 6 to 8 of the Notice for approval by the Members. None of the Directors or Key Managerial Personnel of the Company

or their relatives, except Mr. Sudarshan V. Somani, Mr. Arun Kumar Sureka and Ms. Veni Mocherla being appointees is in any way, concerned or interested, financial or otherwise, in the Resolutions as set out at Item Nos. 6 to 8 of this Notice.

Item No. 9

On the recommendation of Nomination and Remuneration Committee, the Board of Directors at their Meeting held on May 29, 2020 appointed Mr. Saurabh Bangur, as an Additional Director, effective June 1, 2020. He holds office of Additional Director up to this Annual General Meeting pursuant to Section 161(1) of the Companies Act, 2013 (“the Act”) and Article 89 of the Articles of Association of the Company.

A notice under Section 160(1) of the Act, has been received from a Member of the Company signifying his intention to propose the name of Mr. Saurabh Bangur for appointment as a Director of the Company. The Board considers that his association would be of immense benefit to the Company.

Further, pursuant to the provisions of Sections 196, 197 of the Act and Schedule V under the Act and Articles of Association of the Company, the Board, subject to approval by the Members, appointed Mr. Saurabh Bangur as Joint Managing Director of the Company for a period of three years effective June 1, 2020 on the following terms and conditions –

Remuneration including all the allowances and benefits such as Provident Fund and Gratuity etc.	<p>a) Rs.1.50 Crores per annum with such increases as may be approved by the Board on the recommendation of Nomination and Remuneration Committee; and</p> <p>b) Commission at 1% of net profits of the Company per annum calculated under section 198 of Companies Act, 2013.</p>
Mediclaime, Life insurance and personal accident insurance	As applicable to senior staff of the Company.
Leave	As per Rules applicable to senior staff of the Company.
Other benefits, amenities, facilities and perquisites	As per the Rules and Policies of the Company.
Clubs Fees	Fees of clubs and associations will be payable by the Company.
Other conditions	He shall not be paid any sitting fees for attending the Meetings of Board of Directors and Committees of Board.
Termination of Contract of appointment	May be terminated by either party by giving three months’ notice in writing to the other party.

Mr. Saurabh Bangur shall, during the term of office as Joint Managing Director, be liable to retire by rotation and his reappointment as Director shall not be deemed to constitute a break in his office of Joint Managing Director.

The Board commends the Special Resolution as set out at item No. 9 of the Notice for approval by the Members as it considers that his association would be of immense benefit to the Company. None of the Directors, Key Managerial Personnel of the Company and their relatives except Mr. Saurabh Bangur, being appointee, Mr. Shree Kumar Bangur, Chairman & Managing Director and Mr. Virendraa Bangur, Vice-Chairman, being relatives of appointee Director, is concerned or interested, financial or otherwise, in the Resolution as set out at Item No. 9.

Item No. 10

Pursuant to the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the Board of Directors at its Meeting held on May 29, 2020, subject to ratification of the remuneration by the Members, approved the appointment of M/s. Narasimha Murthy & Co., Cost Accountants, Hyderabad as Cost Auditors of the Company for the financial year ending March 31, 2021 and also payment of remuneration of Rs.7.00 lakhs (excluding applicable taxes) plus reimbursement of out-of-pocket expenses as recommended by the Audit Committee at its Meeting held on May 29, 2020.

The Board commends the Ordinary Resolution as set out at item No. 10 of the Notice for approval by the Members. None of the Directors, Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise in the Resolution as set out at Item No. 10.

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
August 7, 2020

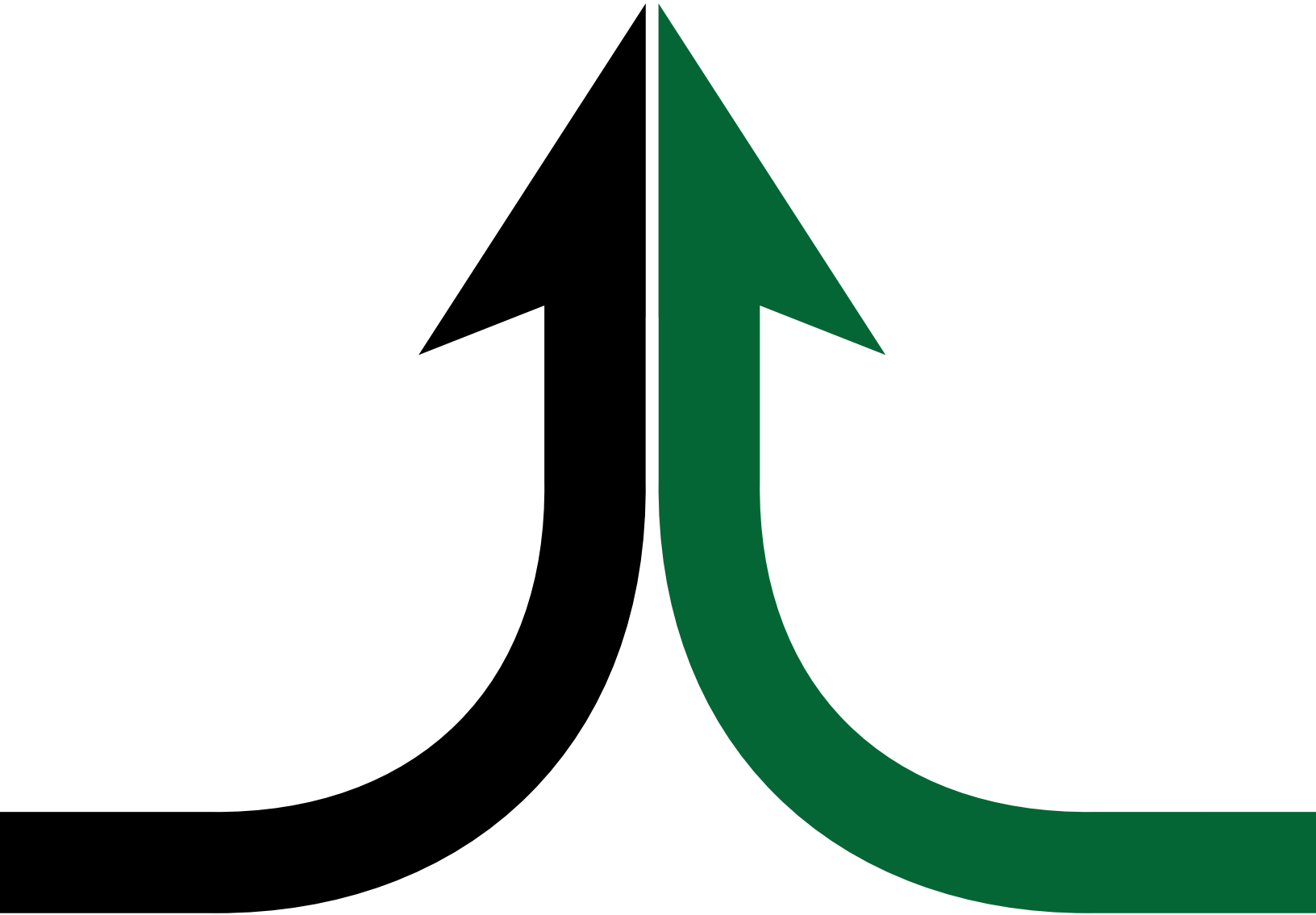
Particulars of Directors seeking appointment/re-appointment at the 56th Annual General Meeting
(Pursuant to Regulation 36 of SEBI (LODR) Regulations, 2015 and Secretarial Standard - 2)

Particulars	Mr. Shree Kumar Bangur	Mr. Anish T. Mathew	Mr. Rajendra Jain	Mr. Virendraa Bangur	Mr. Sudarshan V Somani	Mr. Arun Kumar Sureka	Ms. Veni Mocherla	Mr. Saurabh Bangur
Date of Birth	16/11/1949	25/12/1974	02/01/1962	19/03/1975	21/12/1963	10/06/1949	22/12/1975	27/12/1976
First Date of Appointment	30/10/2019	30/10/2019	30/10/2019	30/12/2019	30/10/2019	30/10/2019	30/12/2019	01/06/2020
Qualifications	B.Com.,	B.Com. ACA	B.Com., ACA, ACS	B.Com.,	B.Com.,	B.Com.,	BA, MBA, Post-Graduation Programme in Marketing	B.Com.,
Experience in specific functional areas	Industrialist & Entrepreneur	Professional	Professional	Industrialist & Entrepreneur	Entrepreneur	Industrialist & Entrepreneur	Professional	Industrialist & Entrepreneur
Directorships held in other Listed companies	Jayshree Chemicals Ltd; West Coast Paper Mills Limited	NIL	West Coast Paper Mills Limited	West Coast Papers Mills Limited; Jayshree Chemicals Limited; Taparia Tools Limited	Starteck Finance Limited; West Coast Paper Mills Limited	NIL	NACL Industries Limited	West Coast Paper Mills Limited
Memberships / Chairmanships / Committees of other Listed companies (Only Audit Committee and Stakeholders' Relationship Committee)	Member of Stakeholders Relationship Committee of Jayshree Chemicals Limited	NIL	Member of Audit Committee and Stakeholders Relationship Committee of West Coast Paper Mills Limited	Member of Stakeholders Relationship Committee of Jayshree Chemicals Limited	Audit Committee Chairman and Stakeholders Relationship Committee Member of Starteck Finance Limited. Audit Committee Member of West Coast Paper Mills Ltd	NIL	NIL	NIL
Number of shares held in the Company	NIL	10	NIL	NIL	NIL	NIL	NIL	NIL
Details of Remuneration sought to be paid	N.A.	Included in the explanatory statement to this notice	N.A.	N.A.	N.A.	N.A.	N.A.	Included in the explanatory statement to this notice
Relationship with other Directors and Key Managerial Personnel of the Company	Related to Mr. Virendraa Bangur and Mr. Saurabh Bangur (Sons)	NIL	NIL	Related to Mr. S.K. Bangur (Father) and Mr. Saurabh Bangur (Brother)	NIL	NIL	NIL	Related to Mr. S. K. Bangur (Father) and Mr. Virendraa Bangur (Brother)

For other details such as number of Meetings of the Board of Directors attended during the year and remuneration drawn, please refer to the corporate governance report which is a part of the Annual Report 2019-20.



Andhra Paper Limited



**DRAWING FUTURE BY
MERGING STRENGTHS**
ANNUAL REPORT 2019-20

DRAWING FUTURE BY MERCING STRENGTHS

With the acquisition of Andhra Paper Limited (APL) by West Coast Paper Mills Limited (WCPM), the company is on a transformational journey to further consolidate its leadership position in the Indian Paper Sector. APL in its over 5 decades of existence has been showing the much-needed business agility to stay ahead of the curve and emerge stronger. The company, over the years, under the leadership of experienced promoters and senior management has adopted many advanced processes and practices which are unique in the paper industry.

Stepping into 2021 and beyond, the company is drawing its future by merging capabilities gained in the past and renewed strategic intents.

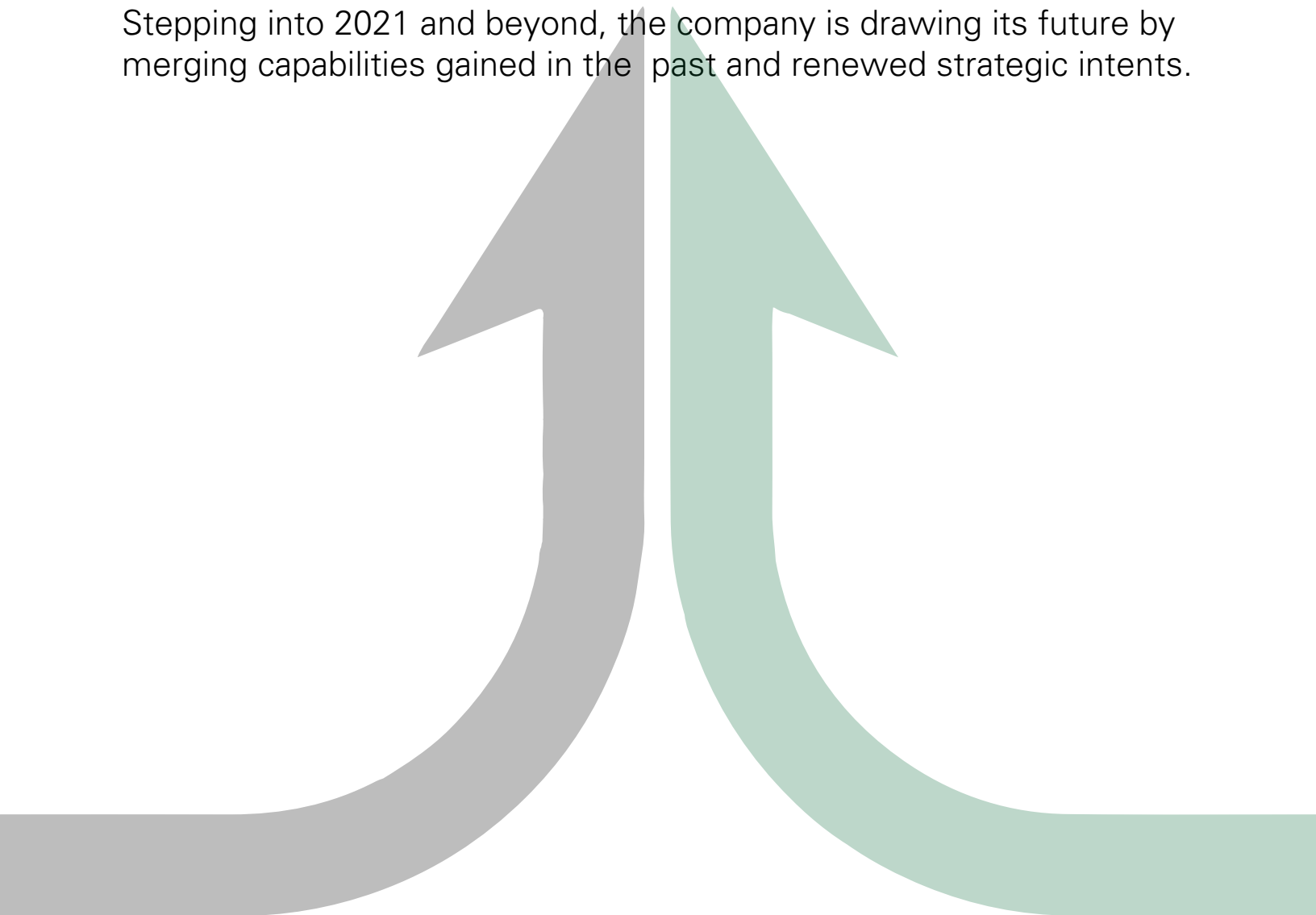


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CHAIRMAN'S ADDRESS



Dear Shareholders

I AM DELIGHTED.

This is my first address after West Cost Paper Mills Limited (WCPM) acquired majority stake in IP APPM. After the stake change, IP APPM has become Andhra Paper Limited (APL). WCPM and APL coming under the same corporate umbrella is a significant event in the history of Indian Paper Industry. WCPM comes with over five decades of experience in the paper industry. With WCPM's industry knowledge and the well-defined management processes imbibed from previous promotor, APL is poised to succeed in its strategic pursuits.

APL's key strategies and goals are already in place and we are committed to preserve the

values etched in the APL's business model. The company will continue to focus on the five growth drivers:

- **Sustaining fiber source**
- **Investing in people**
- **Improving the planet**
- **Creating innovative products**
- **Delivering inspired performance**

while maintaining high standards of integrity and people safety in everything the company does.

Driven by our focus on growth drivers and operating principles, we have delivered another inspired financial performance for the FY 2020. We achieved this performance despite having lost 25 days (YoY) of production for undertaking

The management has taken the opportunity of the last few months to re-examine the business and operating models. Upon assessment of the short term and long-term prospects, a series of initiatives have been set in motion aimed at sustainable growth while minimising the adverse impact of economic cycle.

major boiler maintenance work, and lower sales off take in March 2020 due to COVID-19 lockdown. With strong cash reserves and improved ROIC, the company is well posed to meet the future challenges and explore new growth avenues.

Social and environment sustainability is engraved in our business model. With our social sustainability initiatives focused around three areas i.e Education, Community Engagement and Health & Wellness, we stepped up our efforts to support our society in and around our operating environment, benefitting the community, students and schools. Our commitment to the environment sustainability initiatives are not just aligning with the statutory requirements but a bigger corporate responsibility. We commit to embrace this responsibility through “ Vision 2030” sustainability goals built around 3 drivers – Sustaining fiber source, Investing in people and Improving planet. I am confident that, in our pursuit to grow our business, we would be able to achieve our sustainability goals realizing our vision of being most successful, sustainable and responsible paper company.

Looking ahead, our long-term outlook for the sector continues to remain positive, with the current phase seen only as an aberration.

The management has taken the opportunity of the last few months to re-examine the business and operating models. Upon assessment of the short term and long-term prospects, a series of initiatives have been set in motion aimed at sustainable growth while minimising the adverse impact of economic cycle. One of the key focus area would be cash cost reduction, both operation cost as well as fixed cost. The Company is confident about adapting to this phase of the business and would respond suitably to fulfil the needs of its customers.

In the efforts of the past and in the changes we are envisaging for the future, our source of strength is the tireless spirit of our employees and I would like to thank them for their commitment, patience and hard work.

I would also like to thank our extended family of dealers, suppliers, financial institutions, strategic partners, and customers for their continuing faith in us.

Warm Regards



Shree Kumar Bangur
Chairman & Managing Director

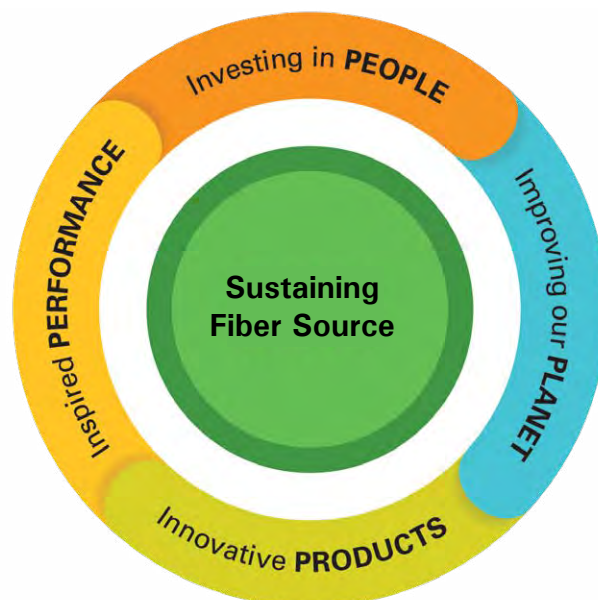
ANDHRA PAPER STRIVES TO DO THE RIGHT THINGS, IN THE RIGHT WAY, FOR THE RIGHT REASONS

Our Vision

To be among the most successful, sustainable and responsible companies in India



APL's Sustainable Business Model



About Us

ESTABLISHED IN 1964, ANDHRA PAPER LIMITED IS ONE OF THE LARGEST INTEGRATED PAPER AND PULP MANUFACTURERS IN INDIA.

The company since its inception has evolved through times and gained unique industry skills in all areas of paper business from multiple promoters. In 2011, the company was acquired by International Paper (IP), US which is the world's largest paper manufacturer. In October, 2019 the controlling stake in the Company was acquired from IP by West Coast Paper Mills Ltd. (WCPM). Consequently, the Company became a Subsidiary of WCPM. WCPM, is one of the oldest and the largest producers of paper for printing, writing, and packaging in India. Established in 1955, WCPM is located at Dandeli in Uttara Kannada District in Karnataka.

The Company produces writing, printing and copier papers for domestic and international markets.



INSPIRED PERFORMANCE

Financial Performance

Revenue	(₹ in lakhs)
FY 17-18	127,980
FY 18-19	142,733
FY 19-20	126,970

Profit After Tax	(₹ in lakhs)
FY 17-18	8,306
FY 18-19	20,008
FY 19-20	21,292

EBITDA	(₹ in lakhs)
FY 17-18	22,676
FY 18-19	39,317
FY 19-20	31,702

Free Cash flow	(₹ in lakhs)
FY 17-18	20,730
FY 18-19	33,695
FY 19-20	21,299

ROIC	(%)
FY 17-18	15
FY 18-19	30
FY 19-20	29

Operational Performance

Production Volume	(MT)
FY 17-18	228,900
FY 18-19	238,700
FY 19-20	227,600

Sales Volume	(MT)
FY 17-18	230,900
FY 18-19	238,700
FY 19-20	213,600

Paper Production	(Tonnes per day)
FY 17-18	643
FY 18-19	684
FY 19-20	692

Pulp Production	(Tonnes per day)
FY 17-18	503
FY 18-19	527
FY 19-20	534

OTIF	(%)
FY 17-18	90
FY 18-19	92
FY 19-20	92

CORPORATE INFORMATION

Registered Office

Rajahmundry – 533 105
East Godavari District
Andhra Pradesh, India
Phone: +91 883 247 1831 to 1834
Fax: + 91 883 246 1764

Corporate Office

Krishe Sapphire Building,
8th Floor, 1-89/3/B40 to 42/KS/801,
Hi-tech City Main Road,
Madhapur,
Hyderabad – 500081
Telangana, India
Phone: +91 40 6810 1200
Fax: +91 40 6810 1255

www.andhraper.com

Works

Unit: RAJAHMUNDRY
Rajahmundry – 533 105
East Godavari District,
Andhra Pradesh, India
Phone: + 91 883 247 1831 to 1834
Fax: + 91 883 246 1764

Unit: KADIYAM
Industrial Area,
M R Palem – 533 126
Kadiyam Mandalam,
East Godavari District,
Andhra Pradesh, India
Phone: +91 883 245 4651
Fax: +91 883 245 3538

CIN: L21010AP1964PLC001008

Auditors

Deloitte Haskins & Sells,
Chartered Accountants
Hyderabad

Cost Auditors

Narasimha Murthy & Co.,
Cost Accountants
Hyderabad

Secretarial Auditors

D. Hanumanta Raju & Co.,
Company Secretaries
Hyderabad

Bankers

State Bank of India
Axis Bank
Citi Bank N.A.
Bank of America N.A.
BNP Paribas

INNOVATIVE PRODUCTS



Innovative Products

We continue to focus on creating innovative, sustainable and recyclable products that help our customers achieve their needs and satisfy changing consumers. APL manufactures a wide variety of writing, printing, copier and speciality papers for foreign and domestic markets.

Writing and Printing

We offer a wide range of superior quality writing and printing papers suitable for printing journals, text books, reference books, calendars and a variety of other commercial printing applications as well as for notebooks and diaries.



Copier

The papers are available in best-in-class brightness and produced with Elemental Chlorine Free (ECF) Pulp technology. Our range is perfect for high volume photocopying and high-quality color printing needs and engineered to run flawlessly on all types of Photocopiers, Laserjet and Inkjet printers and Multi-functional devices.



Specialty

APL offers a wide range of superior quality Specialty grade products that are custom engineered to suit specific and diverse range of applications.



INVESTING IN PEOPLE

HUMAN CAPITAL

HR Vision:

To become the top performing and most respected paper company in India.

Our Approach:

We strongly believe people are the foundation of our Company, so investing to develop capabilities is important to achieve our goals. The APL Leadership Model of 3 C's – Character, Capability and Catalyst – have become a natural part of our leadership language and are well integrated into our people development tools and systems. 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.

We advocate diversity and inclusion including diversity of experience, background, gender and race. People with diversity background and experience bring new ideals, challenges the old norms and better prepare us to compete and serve our diverse customers and markets.

POSH

Your Company is committed to provide equal opportunity and a harassment free workplace notwithstanding race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin or disability, as the case may be. In order to create a safe and conducive work environment, the Company has a Policy on "Protection of Women against Sexual Harassment", which is also in line with the requirement under provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. Reinforcing the Company's commitment for the cause, a dedicated helpline has also been set-up, inter alia, to enable employees to raise issues of Sexual Harassment, if any.

1,853

Number of Employees

1,200

Training Programmes in FY20





HEALTH AND SAFETY

The safety of our employees is our highest priority. We have robust safety programs driven by our leadership, policy, continual training and certification. We encourage our employees to engage and take responsibility for the work environment and safe behaviours for their own safety and that of their colleagues. We have implemented a safety leading indicator program that focuses on identifying and eliminating risks and hazards before they become an incident. These efforts are continuous and evolving to achieve and maintain an injury-free workplace.

Initiatives & Highlights

- Zero LIFE- No LIFE injuries
- Safe work observation extended to contract workmen
- Safety Leadership certification
- ISO 45001 migration across mill
- Training Identification & needs Mapped for each employee

MANUFACTURING SYSTEM

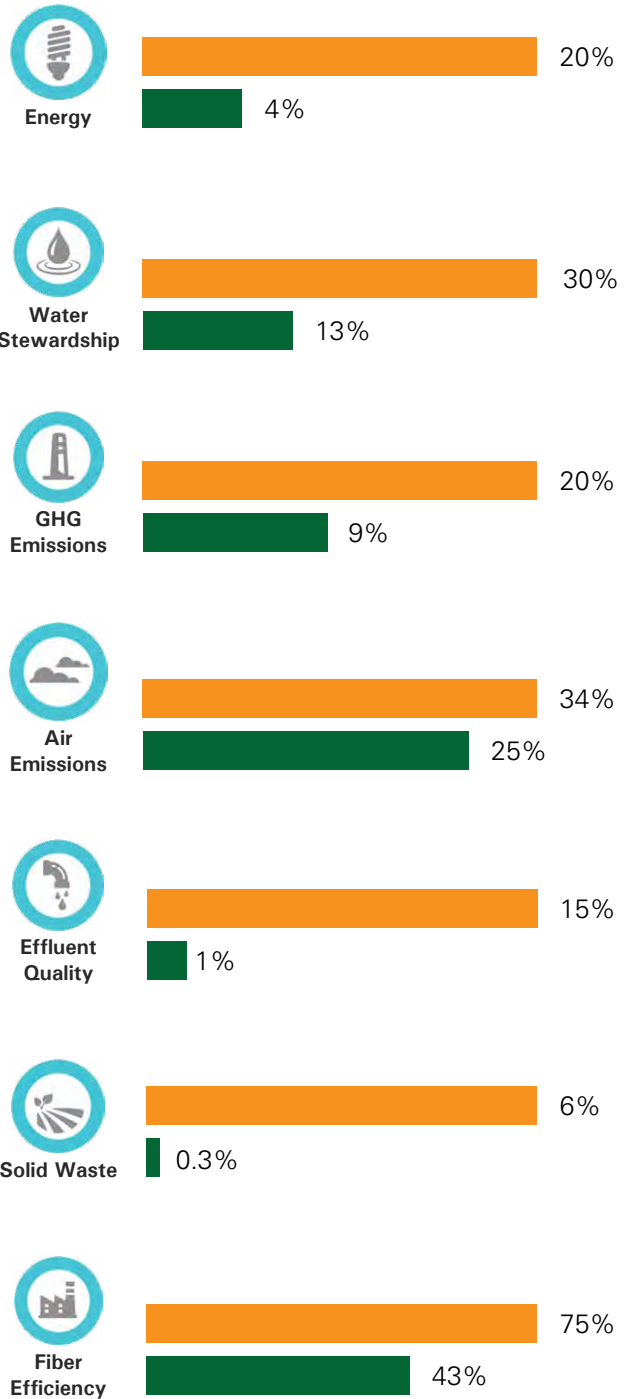
Our Manufacturing Excellence (ME) system provides operating frame work for improving efficiency and productivity of our operations and covers all aspects of the company resources such as Environment, Health, Safety, People, Cost reduction, Reliability and Capital. To achieve the operation excellence, we train and certifies expertise in techniques using 6-Sigma, Lean, RCFA and process improvement. We have ~94 certified green and black belts who take on improvement projects to make our operations better, while another ~47 trained yellow belts inculcate lean culture into everyday practices.



IMPROVING OUR PLANET

Our Sustainability Goal

Sustainability has become the strategic imperative of the new millennium. Companies today need systemic approaches to sustainability if they are to be competitive over the long term. Being India's one of the largest pulp & paper manufacturing units and recognizing our environment responsibilities towards our stakeholders, we embarked upon an ambitious journey to identify global trends, material to our business and developed long term sustainability goals around it. Our long term sustainability goals termed as "Vision 2030 Goals" are built around our key growth drivers: (a) Sustaining fiber source (b) Investing in people and (c) Improving our planet. Company is fully committed to promote Sustainable Development by continuously improving Environmental, Social and Economic performance related to its business activities. This initiatives focus on addressing key environmental concerns and will help us in establishing as one of the most successful, sustainable and responsible paper company in India.



■ Our Vision 2030 Goals (Reduction/Improvement)
■ Achievement (Reduction/Improvement)

SUSTAINING FIBER SOURCE

Forest

Our Company's farm forestry program generates more wood on the earth than we consume; in fact, at more than double the rate of consumption. Our investment towards responsible farm forest stewardship ensures a healthy and productive forest ecosystem.

The Company has begun execution of its fiber strategy to increase procurement within a radius of 150 KM of the mills. In this direction, the Company initiated partnerships with leading forestry institutions to complement its forestry R&D program. The Company is committed to increase farmers' income by increasing per unit yield from their pulpwood plantations.

Research and Development

Our research and development projects have helped in ensuring higher survival percentage of seedlings, higher productivity per unit area and reduction in the rotation cycle. In order to be environmentally-friendly, we have eliminated the traditional practices of poly-bag nursery techniques, and other low cost planting techniques have been introduced. Your company has also introduced high yielding, disease resistant Casuarina clonal saplings, which ensures additional silvicultural gains for the farmers. The clonal research activities have been extended to the mill catchment areas of Andhra Pradesh in order to meet the growing demand of the beneficiaries.

The total number of saplings distributed since 1989 has gone up to 1,791 million. As at March 31, 2020 there are 2.58 lakh hectares of forest area under farm forestry initiatives benefiting 7,502 farmers.

17,910 lakh
Saplings since 1989

2.58 lakh
Hectares under farm forestry initiatives since 1989

400 lakh
Saplings planted in FY20

7,502
Farmers sustaining our forest programme

1,848
New farmers added in FY20

4,626
Hectares of farm forestry added in FY20



CORPORATE SOCIAL INITIATIVES

Corporate Social Responsibility is engraved in the business model of the company. Social development initiatives of the company are carried out predominantly in and around the mills at Rajahmundry and Kadiyam.

CSR Vision:

To help improve lives by using our people and resources to make a significant impact on our community.

CSR Goal:

To continue to impact our community in a positive way leading to inclusive growth and development. To be seen by every community member as an asset to the town and village where our Mills are functioning – not just as an employer but as a responsible corporate citizen.

CSR Initiatives during the year:

EDUCATION:

Project new horizons: Spoken English classes for classes IX and X to the students of 13 Municipal High Schools in Rajahmundry town & APPM Model High School.

Beneficiaries:

3,000 Students

Career Counselling: Career Counselling for students of 13 Municipal High Schools in Rajahmundry & APPM Model High School.

Beneficiaries:

1,500 Students



CSR Mission:

To address and engage in the areas of

- Education
- Health & Wellness
- Community Engagement

PILLARS: Project for Improvement of Learning Levels through Academic support in Rural Schools. Government School for Girls in Rajahmundry Town & Zilla Parishad High School in Kadiyam are the selected schools

Beneficiaries:

1,000 + Students

Infrastructure: School Infrastructure at primary schools in Damireddypalle, Muramanda and Velugubanda

Beneficiaries:

750 Students



HEALTH AND WELLNESS:

Installation of Safe Drinking Water (SDW) Plants and their maintenance and Supply of SDW through tankers around APL's mills in Rajahmundry and Kadiyam.

Beneficiaries (People):

66,000



SKILL DEVELOPMENT AND COMMUNITY ENGAGEMENT:

Tailoring Centers for Women in Mallayyapeta, Rajahmundry and Kadiyam village gives six month course on tailoring and embroidery classes. This is an on-going initiative, that is being entirely sponsored by the Company for the past few years. Community engagement initiatives during the year also include construction of bus shelter at Kadiyam, road safety training in association with RTA and yoga day celebrations.

Beneficiaries (People):

3,200



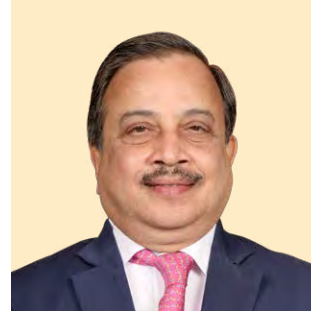
BOARD OF DIRECTORS



Mr. Shree Kumar Bangur
Chairman & Managing Director



Mr. Virendraa Bangur
Vice Chairman



Mr. Praveen P. Kadle
Independent Director



Mr. Adhiraj Sarin
Independent Director



Mr. Sudarshan V. Somani
Independent Director



Mr. Arun Kumar Sureka
Independent Director



Mr. Rajendra Jain
Non-Executive Director



Ms. Veni Mocherla
Independent Director



Mr. Saurabh Bangur
Joint Managing Director



Mr. Anish T. Mathew
Director (Commercial) & Chief Financial Officer

LEADERSHIP TEAM



Mr. Anish T. Mathew
Director (Commercial) &
Chief Financial Officer



Mr. Atanu Chakrabarti
Sr. Vice President
(Sales & Supply Chain)



Mr. Sura Reddy Mallidi
Sr. Vice President
(Mill Operations)



Mr. Sreenivas Pamidimukkala
Vice President
(Information Technology)



Mr. Shyam Srivastava
Vice President
(Purchase & Forestry)



Mr. Aravind Kumar Matta
Company Secretary &
Vice President (Corporate Affairs)



Mr. Joseph Kammara
General Counsel



Ms Lakshmi Prasad
General Manager
(Government Relations)

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', 'expects', 'projects', '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.

OPERATING ENVIRONMENT

Indian Economy, Global Paper Industry & Indian Paper Industry

Indian Economy

In terms of GDP, India is the 5th largest economy in the world. Despite multiple headwinds, the economy grew by 4.2% in

FY 2019-20. The YoY slowdown was majorly due to contracted manufacturing activity, weakened investments, credit crunch in the financial markets, lessened consumption demand and "subdued" exports due to unhealthy world trading pattern. Despite the slowdown, the country has improved its ranking in World Bank's 'Ease of Doing Business' ranking and occupied 63rd position in 2019 as compared to its rank of 142 in Current Year 2014. This improvement was backed by reforms introduced by the Government of India such as reduction in corporate tax rate, thrust on manufacturing activities by introducing policies aimed at "Make in India" campaign and capital infusion in public sector banks.

Outlook

The outbreak of Covid-19, would lead to huge contraction of economic activities owing to the lockdown and continued focus and importance for a prolonged containment strategy. It may take 18-24 months before a vaccine is developed and distributed on a scale wide enough to create a herd immunity. Considering the delicate balancing required of the trade-off between lives (containment) and livelihood (growth), the economy is expected to soften to 1.9% in FY 2020-21.

The Government of India and the RBI are working jointly on multiple bailout reforms to revive the economy to address the demand side contraction and stimulate rural income. Fiscal as well as monetary policies have also been introduced to revive the economy. With these measures in place, the economy is expected to register a growth of 7.4% in FY 2021-22.

Paper Industry

Global Paper Industry

Globally over 407 million tonnes of paper and paper products are consumed, of which, China, the United States, and European Union together accounts for nearly 77% of the consumption, and India accounts for 4% of small, but growing share of the global market. The global paper and pulp industry has contracted slightly (~0.7%) over the past five years, primarily due to disrupting technology, and shift in customer demand. However, the decline in growth in developed markets are expected to be offset by the demand growth in India (6.7%) , Middle East, Africa and Asia.

Outlook

The industry is expected to grow at 0-0.5%. In the short term, the Covid -19 is expected to have a severe impact on the Global paper and paper demand. With the closure of schools, colleges and offices, with accelerated shift towards online education, and lower consumption resulting into reduced retail spends and packaging demand, the global demand for paper and paper board is expected to shrink by 15 - 20% in Writing and Printing (W&P) and 10 -15% in Paperboard category in FY 20-21. However, the long term growth will be propelled by sharp rebound in the consumption in 2021-22.

Indian Paper Industry

Industry Capacity and Structure

The domestic demand of paper and packing is ~18 million metric tonnes, which accounts for ~4.4% of the world's consumption. Over 50% of the global W&P market is in Asian countries and India is the

2nd largest Asian market with a total consumption of 5.4 Mt, after China with ~16 Mt.

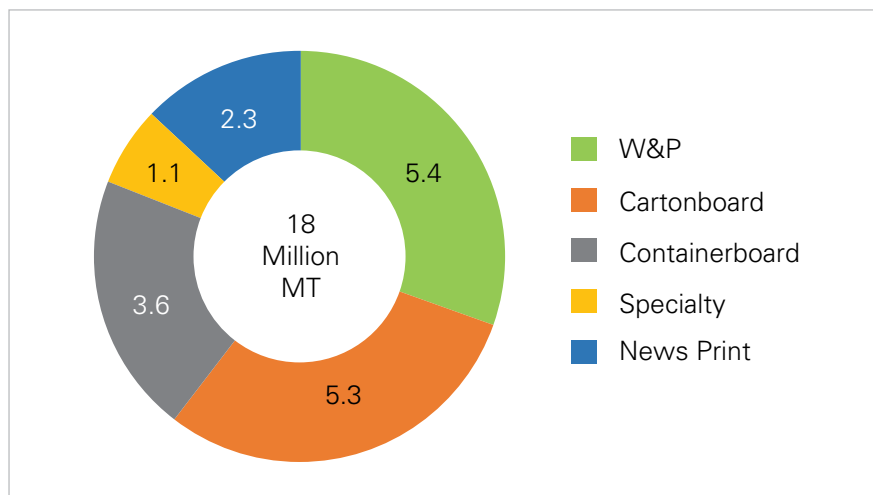
The Indian paper industry segmentation comprises of Writing and Printing (W&P), Cartonboard, Containerboard, News print and Speciality papers. The Writing & Printing segment, in which Andhra Paper operates, accounts for ~30% of the industry capacity. This segment is growing at the rate of ~ 3-3.5% Overall the industry have grown at the rate of 5 - 5.5% over a period of last 5 years

The demand for W&P in India is dominated by the book segment and generally educational end-use such as text books using Creamwove paper. This differs from western markets where cut size still represents nearly half of W&P consumption. As the Indian economy further develops, there is likely to be some trend for the end-use to move towards those of Europe and North America. An emerging segment in India is office printing. As business activity increases this sector is growing. Maplitho and copier are the dominant grade used for office stationery and office printing. This segment is driven on economic activity and growth and is expected to grow by 5-6% per annum.

The Indian paper industry is highly fragmented where top 5 players account for ~30% of the capacity. Tight supply/demand balance characterizes the Indian UFS market in the future. Tightening UFS balance is foreseen to turn India into a net importer after 2020 if no additional supply will come on stream.

The long term outlook for the Indian paper industry looks positive. The demand for paper is largely driven by:

- **Education:** Efforts to improve the primary and higher education is driving the students enrolment and continuance of education.



- **Offices** – Printing paper usage for legal and formal documents, sticky work habits favouring paper.
- **E-commerce:** Internet penetration is creating new business models and demand for industrial packaging, consumer packaging and printing & writing paper.
- **Economic activity:** The increase in economic activity is expected to open up more avenues (Manufacturing sector, Office space) for paper demand.
- **Demographics and economy :** Increased literacy rate, telecom penetration and emerging middle class increased spending on books, magazines, online shopping, fast food consumption, pro- environment choices (plastic ban).
- **Consumerism:** Higher disposable income coupled with urbanisation is expected to drive new and different consumer behaviours and drive demand for paper products.

Industry 2020

The Paper industry grew by ~4-4.5%. The writing and printing grew by 3-3.5%. The moderation in W&P demand was mainly due to slowdown in the economic activity resulting in shrinkage of demand. While the demand contracted, the W&P segment saw an overall increase in supply. The supply

increase was the result of price decrease in imported pulp which allowed non-integrated pulp players to participate in the segment growth economically. The demand contraction coupled with increased supply led to Y-o-Y decline in price. The prices are expected to decline further due to lower demand from end-users segments of office and education.

Opportunities and Threats

Opportunity

In India, W&P market is expected to grow by 4 - 4.5% until 2025. The growth is expected to come mainly from cut-size and books. Demand for W&P in India is dominated by the book segment and generally educational end use such as text books using Creamwove paper. As the Indian economy further develops, end uses are foreseen to move towards the structures of Europe and North America. In Western markets, cut size still represents nearly half of W&P consumption. In Asia – and India in particular, the cut-size paper market is still foreseen to continue on fast growth track, driving the overall performance of W&P sector. The growth is expected to be the highest in cut-size among the end uses - 6.4% per annum up to 2025 in India, mainly driven by economic / business activity and office printing.

Your Company produces writing & printing papers for foreign and domestic markets and offers a wide range of high quality specialty grade products for a diverse range of applications. These products are designed to provide outstanding performance, functional excellence and exceptional finish quality.

The well-known cut-size papers of the Company offer a wide range of office documentation and multipurpose papers, from economy to premium grades, ideal for both home and commercial use. The papers are available in best-in-class brightness and produced with Elemental Chlorine Free (ECF) pulp technology. The range is perfect for high volume photocopying and high-quality color printing needs and engineered to run flawlessly on all types of photocopiers, laserjet and inkjet printers, fax machines and multi-functional devices.

The market growth allows good opportunity to add capacity to support segment growth especially maplitho and copier, innovate new product offerings to support end use application, and reduce the cost by scaling up the production.

Threats

Imports of paper and paperboard

Imports of paper and paperboard from ASEAN countries (Import duty at 0%) pose a challenge to Indian paper industry. However, lower sales prices are realized in Indian compared to other export destinations. Domestic players who are non-integrated players have fairly weak competitiveness against potential importers. Solid competitive position can be reached via high pulp integration and competitive scale.

The Indian government implemented an anti-dumping duty on uncoated freesheet copy paper to prevent dumping of low priced imports to the Indian market. The anti-dumping duty has helped to ensure a competitive

price for copier paper imports thus normalizing the supply demand balance. The action by the government and diversion of surplus capacity (ASEAN paper manufacturers) to meet Chinese demand led to moderation of imports into India for the financial year 2019-20.

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.

Covid -2019

The Financial Year 2020 ended with the COVID-19 pandemic disrupting the global economy. The rampant spread of COVID-19 outbreak, across borders and geographies, has severely impacted almost the whole world and triggered significant downside risks to the overall global economic outlook.

Fiscal Year 2021 began with a lockdown resulting in lower economic activity on account of strict measures taken by the Indian Government to contain the spread and intensity of the pandemic. With the spike in spread and continued containment, the impact on GDP is expected to be significant with the risk of negative growth for FY2021. With Nil sales in April '21 and lower demand in the subsequent months the impact for the company in Q1'21 was very high. With educational institutions continued to be closed and people adopting safer working environment by working from home resulting in lower office activities, the key engines of the paper demand drivers remains subdued which could pose severe challenge on the business beyond Q1-F21.

With the global demand for the paper being impacted across the world, there is an increasing threat of imports as the suppliers from

ASEAN countries would find it economical to sell even at lower price putting pressure on the price realisation and margin.

The Company has initiated various measures to minimise any short-term impact and mitigate any long-term impact. This includes realigning the cost structures to the new activity levels, Company-wide initiative to optimise costs and conserve cash.

The company is comfortable with the liquidity position. The company has good cash reserve of Rs.180 crore with additional committed funds to meet any emergency. The company continues to enjoy good credit rating of CARE AA- with stable outlook (long term facilities) and CARE A1+ (short term facilities) from CARE which enables the company to raise additional capital in case it's necessary.

The company has taken adequate safety precautions in all the manufacturing locations and offices for the safety of Staff, workmen, transporters, vendors etc.

Access to quality and cost competitive raw material

India is a wood-fibre deficient country as the Government of India does not permit industrial plantations in the country. Raw material availability domestically is a major constraint for the paper industry. Additionally, the recovery rate of waste paper in India is quite low (~30%) due to lack of an effective collection mechanism. With issues like availability of quality raw material at competitive prices, many players depend on the imports of pulp, waste paper and even pulpwood to meet their raw material needs and often have to pay premium for availing them thereby impacting profitability and capacity addition.

The Company has implemented a farm forestry strategy that collaborates with private nurseries and research organisations,

develops free saplings in partnership with farmers to sustain 100% consistent supply of Company's fiber needs with a long term vision to bring down haulage radius from present up to 300 Km to within 150 KM from mills in the state of Andhra Pradesh. Our Farm forestry program has led to the plantation of 2.7 million high yielding Casuarina clones, along with 31 million Casuarina seedlings within 150 km radius of the mill. This covered 3,834 hectares of plantation and generated 1.92 million man-days of employment for farmers. The Company's strategy to reduce distance of fiber procurement area has helped in stabilizing the price of virgin fiber during 2019-20.



Outlook

The midterm to long term outlook for the industry is positive. As per CRISIL Report, the paper industry is expected to grow at 3.5 – 4.5% CAGR (2020 -25) and W&P at the rate of 2-3% (2020-25). The main drivers for W&P growth are economic growth, higher government spend on education etc.

However, the COVID – 19 pandemic and the ensuing lockdown and containment has subdued the economy activity. The closure of schools and colleges, and muted demand from office have severely impacted the Q1' 21, where the sales dropped by 50% YoY. While it's too early to predict and assess the impact for the balance of the year, we believe the economic activities would start picking up from Q3'21 and would see momentum continuing through for the rest of the years.

Strategy

The business environment keeps changing very fast, largely driven by the domestic factors and the global pulp and paper market. To stay competitive, it's vital to understand the domestic market



requirements and facilitate that by creating capability within and serve them on time and reduce the cost of production.

With an objective to sustain growth and stay competitive, your Company is pursuing several strategic initiatives to serve the customers and reduce the cost. The initiatives include developing new products, improving the quality of the products, optimising the facility capacity for building scale and reducing cost, improve machine efficiency.

The company's efforts in facility optimisation and other cost reduction initiatives helped cost savings of ~ 4 % over the last 3 years which helped mitigate part of the purchase price inflation.

Fibre cost and it's availability being a primary cause of concern and risk area, our efforts have been to proliferate the plantation of high

yield varieties of wood species like Casuarina and Subabul. We have shifted our focus from plantation and distribution of clones and saplings to R&D, wherein, efforts would be to develop high yield varieties of mother plants, and supply to plantation nurseries for further multiplication and distribution to the farmers. Towards meeting this objective, we have partnered with Institute of Forest Genetics and Tree Breeding (IFGTB), Coimbatore, for licensed use of next generation of Casuarina clones, clonal saplings of next generation clones for mother plant, supply of genetically improved Casuarina Equisetifolia seeds etc. With a view to improve the farmers income from agricultural land, we have taken multiple initiatives like developing a agroforestry model with Casuarina and Leucaena (Alley cropping) and developing Agroforestry model with Casuarina Clones for enhancing wood

supply from agriculture land (Wind break resistant clones). These initiatives would help improve the productivity per hectare providing more income to the farmers while mitigating the potential supply due to lower acreage under cultivation.

Human Capital

We strongly believe people are the foundation of our Company, so investing to develop capabilities is important to achieve our goals. The Leadership Model of 3 C's – Character, Capability, and Catalyst – have become a natural part of our leadership language and are well integrated into our people development tools and systems. 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.

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. We fervently use Lean Six Sigma tools and techniques under Manufacturing Excellence program

to continuously improve our daily processes. A strong team of about 150 trained and certified Black Belts, Green Belts and Yellow Belts has been built from every function and all locations over past six years. They take up improvement projects year-on-year to reduce variation and eliminate wastes from our processes. Apart from this, close to 80% of remaining employees, including workmen are trained under White Belt program who participate in improvement projects and also use these techniques in day-to-day problem solving.

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.

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 provides a dedicated helpline to enable employees to report on improper or unethical practices or issues of sexual harassment.

APL has ~ 1,900 employees and an additional 3,200 contract workers.

REVIEW OF OPERATIONS

The Company's operations strategies are aimed at enhancing the overall performance. We, being a 'Customer first Company' in a deliberate improvement process, give utmost importance to quality. The Company's commitment to bring in a robust global quality is based on our determination to sustain a culture of operational excellence, meeting and exceeding the expectations from all the stakeholders. The Quality management team ensure every ton of paper produced, complies with all standard of qualities and bring value for money to our customer. Our capital spend budget carries a significant amount of spend towards quality improvement projects. During the year, the Company further scaled up its customer support processes and systems to add excellence in delivery. This helped serve the customer better, improve customer satisfaction and retain and attract more customers.

During the year, the company recorded the sales volume of 213,615 MT, as compared to 238,729 MT in 2018-19. The sales volume was impacted due to loss in production on account of extended 25 days of scheduled maintenance shutdown and drop in sales due to nationwide lockdown on account of ongoing pandemic. Of the revenues, 12% were from exports (previous year 16%) with domestic sales accounting for the balance 88%.

We started our Manufacturing Excellence (ME) initiatives in the year 2013. Our continued and consistent efforts in implementing and executing the programme helped in improving pulp productivity and overall paper machine efficiency (OME). The Company also made significant gains in fibre, energy and chemical costs. As in the earlier years, deliberate and continuous



ME Belts undergoing hands-on training at our in-house training facility

efforts were made to become a low cost producer, raising the operating efficiencies and optimizing material consumption. Overall, the Manufacturing Excellence initiatives helped improve the mill reliability, increase the productivity, reduce the overall cost and improve profitability.

While focussing on improving the reliability, our initiatives in production planning and scheduling helped secure continuous runs and lower down time. The unplanned downtime has reduced by 24% for the year (2019-20: 3446 hrs and 2018-19: 4534 hrs). This helped improving our On – Time – In – Full (OTIF) performance above 91.8 % and delight our customers.

FINANCIAL PERFORMANCE

In FY20, the Company generated a free cash flow of Rs. 21,299 Lakhs (FY19: Rs. 33,545 Lakhs) and delivered an EBITDA of 25% (FY19: 28%) with a PAT of Rs.21,292 Lakhs (FY19: Rs.20,008 Lakhs). The Earning Per Share (EPS) is Rs. 53.50 whereas in 2018-19, the EPS was Rs.50.30. On a sustainability growth, the Paper production has increased by 8 TPD and pulp production has increased by 7 TPD. The finance cost during the year is significantly reduced by 38%.

The company is debt free and ended the year with cash surplus of Rs 23,438 lakhs (Previous year: Rs. 8,465 lakhs). The surplus cash is invested in fixed deposits and mutual funds. During the year under review the Company earned an interest income of Rs. 1,035 lakhs (previous year Rs. 297 lakhs) from deposits and mutual funds.

Financial Ratios

The Company has maintained a healthy capital structure as is evident from its debt to equity ratio. The COVID -19 lockdown impacted the sales and inventory for the month of March'20

S.No	Ratio	March 31, 2020	March 31, 2019
1	Debtors Turnover Ratio in days (Net sales/Average Receivables)	22	20
2	Inventory Turnover Ratio in days (Sales/Inventory)	6	9
3	Interest Coverage Ratio (EBIT/ Interest Expenses)	50.71	40.61
4	Current Ratio (Current asset/ Current Liabilities)	2.56	1.52
5	Debt Equity Ratio (Debt /Equity)	0.01	0.02
6	Operating Profit Margin % (Operating profit/Sales)	18.99	22.41
7	Net Profit Margin % (PAT/Sales)	16.77	14.02
8	Return on Net Worth % (Net Earnings/Networth)	21.82	26.19

resulting in lower inventory ratio. Though the business operations improved YoY, the efficiencies were more than offset by loss of production and sales due to 35 days of extended scheduled mill shutdown for annual maintenance activities, lockdown due to COVID-19 and lower realisation, resulting in lower operating margin and lower return on net worth. Net profit margin improved on account of lower tax rate and lower finance costs.

Internal Financial Controls

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 by, or under the supervision of, our Chairman & Managing Director, (Commercial) & 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 performed an evaluation and made an assessment of the adequacy and effectiveness of the Company's internal financial controls as at March 31, 2020. Based on this assessment, the management believes that, as of March 31, 2020, 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 in page no. 81 of this annual 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 our business, which have been distributed to all employees; a toll-free telephone helpline whereby any employee may anonymously report suspected violations of law or company's policy; and an office of ethics and business practice.

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 meets regularly with representatives of management, and with the independent auditors and the Internal Auditor, with and without management representatives in attendance, to review their activities.

The Committee has reviewed and discussed the financial statements for the year ended March 31, 2020, including critical accounting policies and significant management judgments, with management and the independent auditors.

INFORMATION TECHNOLOGY (IT)

The Company's vision is to take the systems landscape into next generation which focuses on:

- Availability
- Reliability
- Scalability
- Productivity

The system landscaping and digital journey are focused on problems of greatest need to the company with due consideration of the 4 inter-related domains such as technology, data, process, and organizational change capability. The company has, post the divestiture, successfully brought the application systems and related IT infrastructure from IP USA to India by March 2020. With focus on addressing the immediate needs of the organisation, the company has embarked on initiatives such as, ERP upgradation to S/4 HANA, data security enhancements, CRM module up gradation for data insights to the sales team and our dealer network, attendance system upgradation to lay platform for future capability enhancements, analytical tools for insights and decision making and automation tools to improve process efficiency.

OUTLOOK

Andhra Paper has created a platform for sustainable growth while working with the core priorities. Despite the competitive challenges in the external environment, the team at Andhra Paper is committed to making sure that the present momentum is maintained in the future as well.

In order to create a vibrant organization that works for sustainable growth, considerable up-gradation has been done to the systems and processes to enhance safety, productivity, performance and accountability; significant investment has been made in people development, operational excellence, customer contact and sustainable solutions; increased employee engagement; considerable work done to become a low cost producer; improved manufacturing reliability levels; and overall created a winning organization. All of these are being put together to make Andhra Paper

an increasingly better and a more competitive company.

Our Company's priority is to delight our customers with high quality products and best-in-industry service. To do this we will ensure the highest standards of people, safety, ethics, talent development, sustainability of forests, increased volume and revenue, higher productivity, become cost competitive and enhance profitability.

RISK & RISK MITIGATION

Risks and uncertainties are an inherent part of every business, and yet it is important to identify the risks and take proactive steps to mitigate and minimize them. Andhra Paper identifies and evaluates risks as early as possible and limits business losses by taking suitable measures. The Company aims to avoid risks that pose a threat to its sustainable growth.

Andhra Paper understands that risks can negatively impact fruition of both short-term operational and long-term strategic goals. Risk management is a part of the Company's business planning and controlling process.

The Company operates a framework created in line with its parent organization, customizing to fit into the local requirement, through which financial risks have been identified based on their severity. These risks are identified on a continuous basis through business process studies, internal audits, financials reviews etc. Andhra Paper understands certain inherent financial risks which are imperative due to the environment in which it operates.

Depending on the dynamics and severity, risks are documented and prioritized for assessment of their impact. Various financial risks such as credit risks, treasury risks, finance transactional risks, reporting risks are measured vis-à-vis regulatory risks. Compliance

risks are embedded into Andhra Paper overall enterprise risk framework depending on their severity and are reviewed for their impact on the business objectives of the Company.

Andhra Paper proactively manages finance risks to maintain prudent operations. These risks are classified as short to medium to long depending upon their impact and remedial options.

They are reported and reviewed at appropriate managerial level. Depending upon severity of such risks, they are further reported to the Audit Committee and Board of Directors as applicable. Andhra Paper effectively uses management reporting tools to report material financial risks at appropriate levels. The following factors are considered for determining the materiality:

- Some events may not be material individually but may be found material collectively;
- Some events may have material impact qualitatively instead of quantitatively;
- Some events may not be material at present but may have material impact in future.

The industry specific risks are broadly discussed below:

Risk	Risk Definition	Risk Impact (Low, Medium, High)	Risk Mitigation
Safety	Occupational illness 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	Continuous efforts are being made to comply EHSS standard with Safety Leading indicator and appropriate training with assessment.
Raw Materials	The paper industry requires a sustainable supply of wood to survive and flourish. Wood accounts for approximately 40% of the cost of production. Any threat in supplies would adversely affect the survival of the paper industry.	High	The Company has implemented a Farm Forestry program through partnership with farmers, Research institutions and vendors. The company pro-actively build special bond with farmers in our vicinity of 150 KM through large scale plantation and ensuring remunerative prices for the harvest. To develop sustained fiber supply within catchment of 150 km radius, company also partnered with private nursery growers for capacity building for production and distribution of clones. Company also continued to partner with Institute of Forest Genetic & Tree Breeding, Coimbatore (IFGTB) to ensure the broadest approach to sharing best practices, gaining knowledge and performing R&D for enhancing productivity.
General Economic Factors	Adverse business developments could have a negative effect on the demand for paper products, financial conditions and results of operation. The paper industry has a positive co-relation to economic development and lower GDP growth could affect business fortunes.	High / Medium	Strong management and leadership capabilities in forecasting. Strong focus on market penetration, sales training and product innovations.
Cyclical of Industry	Cyclical demand for paper could have an adverse impact on sales. The reduction in sale prices will affect APL's operations. The cyclical 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 operating leverage as well as by lowering the fixed costs per ton of paper to protect margins.
Heightened Competition in the Industry 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. Pressure of imports expected to grow moderately, inspite of lower sales price realisations in India compared to other export destinations.	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 cut-size and high-grade writing and printing papers.
Product Substitution	Electronic medium has reduced the archiving needs that were met by lower grades of paper which could impact demand pull within the cream wove category.	Low	Growth in demand and consumption of both lower and high-grade writing and printing papers has outpaced the threats with higher usage in the copier and stationery segments. Andhra sees no threat in the short and medium term within its product categories since all of them are growing, especially given the low base in paper usage and consumption.

Risk	Risk Definition	Risk Impact (Low, Medium, High)	Risk Mitigation
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 needs large quantities of power, fuel and water to operate. Lack of availability of any of these utilities can add to the cost sensitivities of the industry.	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>
Exchange Rate	<p>Currency exchange rates could undergo changes with the Indian rupee turning volatile.</p> <p>This could have a potential impact on the export earnings of the Company.</p>	Low	Company is conscious and watchful of the rupee's movements. Hedging is done wherever necessary and forward covers are taken to protect the Company's interests. The Company is also conservative in booking the unfavourable impact of exchange fluctuations as soon as the impact is determined. Prudential accounting norms are followed in line with the Accounting Standards.
Environment	The pulp and paper industry has a commitment to the environmental protection, and it would be essential to remain sensitive to the needs of the planet	High	<p>As a responsible corporate citizen, Company has hugely minimized the impact of mill operations by taking a proactive role. The Company encourages planting twice the number of trees than it harvests and reduces water consumption year after year.</p> <p>The latest technology has been adopted for elemental chlorine-free bleaching of pulp and recycling of water. Efficiency of the effluent treatment plant has been improved with diffused aeration system and by installing a cooling tower. Company installed a Non-Condensable Gases (NCG) system, both for the collection and incineration of high volume low concentration and low volume high concentration gases. This has made the mill and surrounding environment odor free. Company also installed high efficiency ESPs to contain suspended particulate matter to less than 50 ppm.</p> <p>Several such initiatives have been taken to ensure Company meets high standards much before the standards are laid down or implemented by all regulatory authorities.</p>
Human Resources	<p>Failure to attract, retain or develop talent in a competitive market or in managing cordial industrial relations may impact our long term growth.</p> <p>Failure to keep focus on safety, compliance, and engagement which can lead to poor performance. Talent retention is another risk associated with human resources as other competitor may opt to recruit our capable employees.</p>	Medium	<p>Company constantly maintains a strong focus on improving employee engagement and employee experience – though robust safety culture, multiple training and skill enhancement avenues, regular employee engagement and fostering a culture of empowerment and inclusion.</p> <p>Company has minimized this risk by focusing on training and engagement programme. We have conducted training in various areas like Manufacturing Excellence, Leadership trainings, Mill technical trainings (Mechanical Precision Measurement, Instrumentation & Electrical Precision Measurement). These helped us to improve capability of people to work efficiently and to improve engagement.</p>

BOARD'S REPORT

Dear Members,

The Board of Directors has the pleasure in presenting its 56th Report along with the Audited Accounts for the year ended March 31, 2020.

Performance Review

During the financial year 2019-20, the manufacturing facility of the Company at Rajahmundry has been shut down for 25 days (YoY) during the months of July/August 2019, due to Annual Outage, thereby resulting in loss of production and sales. COVID-19 outbreak and lockdown thereafter from last week of March 2020 had also impacted the above parameters.

During the year, the Company registered an EBITDA of 25% as compared to 28% for the previous financial year. However, the Company registered a Profit After Tax of 17% for the financial year as compared to 14% for the previous financial year, due to adoption of new tax regime provided under Section 115BAA of the Income Tax Act, 1961.

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

(In ₹ Crores)

Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
Revenue from operations	1,269.70	1,427.33
Earnings before interest, depreciation and taxation (EBITDA)	317.02	393.16
Finance costs	5.32	8.54
Depreciation	75.90	67.87
Profit before exceptional items	235.80	316.75
Exceptional items	-	(5.42)
Profit before tax	235.80	311.33
Tax expense	22.88	111.26
Profit for the year	212.92	200.07

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

Dividend

In order to conserve the resources for meeting future capital needs relating to capital projects, maintenance, cost reduction and potential strategic projects, the Board of Directors have decided not to recommend dividend on the equity shares of the Company.

Change in the Management of Company

During the year, West Coast Paper Mills Limited acquired 68,39,879 equity shares of ₹ 10/- each on October 11, 2019 from Public Shareholders through open offer and further acquired 2,18,73,521 equity shares of ₹ 10/- each on October 29, 2019, from International Paper Investments (Luxembourg) S.a.r.l. and IP International Holdings Inc. aggregating to 2,87,13,400 shares of ₹ 10/- each, representing 72.2% of share capital of the Company. Subsequently, the Board of Directors of the Company at the Meeting held on October 30, 2019 noted West Coast Paper Mills Limited as Promoter of the Company.

As a result of the above acquisitions, the Company became a subsidiary of West Coast Paper Mills Limited.

Further, in June, 2020, International Paper Investments (Luxembourg) S.a.r.l. sold 68,41,004 equity shares of ₹ 10/- each (representing 17.2% of the paid up share capital of the Company) by way of 'offer for sale through stock exchange mechanism'. With this sale, their shareholding had come down from 20% to 2.8% and the Company has also complied with minimum public shareholding norm of 25%, as prescribed by SEBI.

Markets, Customers and Commercial Excellence

The Company always believe in "**Customer First**" and continue to move in the right direction to create more **value for our customers**. The Customers need Company's paper to convert, print, publish, and sell. The Company's paper is enablers for their business success. During the financial year under review, the Company sustained OTIF delivery rate (On-Time-In-Full) at 92% and improved forecast accuracy to 91%, top tier in the Indian paper industry.

The Company creates paper that facilitate education and communication. The Company is one of the largest manufacturers of uncoated freesheet and produces a variety of papers for business and home consumers. Customers rely on the Company's signature brands including Truprint Ultra, Sapphire Star, Primavera, Writechoice and Reflection Copier to name a few, for a wide range of printing and converting applications.

The Company creates innovative, sustainable and recyclable products that help customers achieve their objectives. 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.

With **innovative products and service solutions**, the Company ensures best possible value to the customers and further solidify our partnership. This high levels of service has helped Company's channel partners & customers to better plan their resources and commitments, thus increasing the value that the Company provides them.

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. The Company undertook various Manufacturing Excellence projects involving cross functional teams, like GSM Rationalization, Block Scheduling and On-line Order Status visibility to further improve customer satisfaction.

FY2020 Highlights:

- Improved OTIF scores (92%);
- Cup stock including cup bottom paper volumes grew by 82 % over last year;
- Successful launch of AMC (Andhra Millenium Copier) and introduction of new products like Plain Kraft Hi-BF, Sapphire Star helped us in improving revenue and contribution.

Writing and Printing

In order to create choice for the Company's customers and dealers, the Company created different writing and printing paper for different applications and brought in the concept of good-better-best product strategy. This, in a way, allows the customer to upgrade in the product value chain from a good to better and best product based on their needs.

Copier

The Company has a wide range of copier products from 65 GSM to 100 GSM. The papers are available in best-in-class brightness and produced with Elemental Chlorine Free (ECF) Pulp technology. The Company's range is perfect for high volume photocopying and high quality color printing needs and engineered to run flawlessly on all types of Photocopiers, Laserjet & Inkjet printers and Multi-functional devices. In order to connect with the copier customers, the Company organises various customer contact programs viz. Road Shows and Technical Meets in various towns and cities across the country which helped in increasing volumes and market share of copier Pan India.

Speciality

The Company offers a wide range of superior quality Specialty grade products that are custom engineered to suit specific and diverse range of applications. The Company is able to sustain and build on the volumes of cup stock and provides value for our customer.

Going forward, the Company would like to extend an overwhelming business experience to the customers, also capturing their mind share through engagement, service and quality products. The Company focused to do its best to be their preferred partners and leverage technology to create value for the Company's customer.

The scenario post COVID 19 lockdown across the country is uncertain and needs to be monitored closely. However, the positive side is that as per research, the per capita consumption of writing and Printing paper is low in India as compared to the developed world plus the CAGR of writing and printing paper would be ~ 3-4% in India for the next 5 years.

Manufacturing, Operations and Safety

The manufacturing teams use a systematic approach and programs for managing safety and manufacturing excellence. Each year, the Company builds improvement targets into the

operating plans. The results of these programs have helped to improve safety performance by reducing incidents to the lowest level recorded among employees. The productivity improvements drove lower costs for fiber, energy and chemicals and improved paper production and sales.

Raw Material Security

The Company remains focused on R & D program for production of high yielding quality clones of Casuarina and also started working on high quality Subabul saplings with an aim to increase farmers economic return and to ensure long term cost effective fiber security for the Company. The Company continued to partner with the Institute of Forest Genetic & Tree Breeding, Coimbatore (IFGTB) to ensure capacity building and executing R & D program for enhancing productivity and to ensure dissemination of best practices to farmers. The Company increased its footprint during the year within the catchment area in collaboration with partner nurseries for production and distribution of clones with strategical focus of developing catchment within a radius of 150 KM. The Company is also ensuring that farmers get the best prices through continuation village level engagement and have increased share of purchase from within catchment.

The Company farm forestry program focused within a radius of 150 KM of the Mill and resulted in the plantation of 41.5 lakh clones and 358.8 lakh seedlings covering 4,626 hectares of land and generated 23 lakh man-days of employment to the farmers.

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

The company has, post the divestiture, successfully brought all the IT application systems and related IT infrastructure from International Paper, USA, to India by March 2020. In an effort to enable better decision making, timely and accurate management information and improved financial and operation controls, the company has embarked on initiatives such as, SAP up gradation to S/4 HANA, data security enhancements, CRM module up gradation, attendance system up gradation, investment in analytical tools and automation tools.

Community Service and Engagement

The Company is committed to the cause of the communities where it operates by supporting Education, Health & Wellness and Community Engagement.

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, 2020 comprised of:

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

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

Awards

During the year under review, the Company received a certificate from Confederation of Indian Industry in recognition of adopting 3R principles for improved Water and Wastewater Management in Paper Mill at Unit: Rajahmundry, Andhra Pradesh.

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 materially 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. The related party disclosures are given in Note No. 34 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.

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. The Complete risk profile is provided on page no. 25 under Management Discussion and Analysis, forming part of this report.

Directors

a. Reconstitution of Board

Following the acquisition of controlling interest in the Company by West Coast Paper Mills Limited in October 2019, the Board of Directors of the Company was reconstituted on October 30, 2019 as under:

1. Mr. Donald P. Devlin, Chairman & Managing Director and Non- Executive Directors viz., Mr. W. Michael Amick Jr., Mr. Russell V. Harris and Ms Megan A.F. Bula resigned from the Board effective closure of Board Meeting dated October 30, 2019.
2. Mr. M.S. Ramachandran and Mr. Milind Sarwate, Independent Directors also resigned effective closure of Board Meeting dated October 30, 2019.
3. The following new Directors were appointed effective closure of Board Meeting dated October 30, 2019 -
 - a) Mr. Shree Kumar Bangur as Chairman & Managing Director
 - b) Mr. Rajendra Jain as Non-Executive Director
 - c) Mr. Anish T. Mathew as Director (Commercial) & Chief Finance Officer
 - d) Mr. Arun Kumar Sureka as Independent Director
 - e) Mr. Sudarshan V. Somani as Independent Director
4. The Board also appointed Mr. Saurabh Bangur as Chief Executive Officer effective closure of Board Meeting dated October 30, 2019
5. Mr. Virendraa Bangur was appointed as Non-Executive Director and Ms Veni Mocherla as Independent Director effective December 30, 2019.

Further Mr. Virendraa Bangur was re-designated as Vice-Chairman of the Company, under the category of Non-Executive Director, effective May 29, 2020.
6. Mr. Saurabh Bangur resigned as Chief Executive Officer of the Company effective May 31, 2020 and he was appointed as Joint Managing Director of the Company effective June 1, 2020.

The Board placed on record its warm appreciation for the outstanding contribution made by Mr. Donald P. Devlin, Chairman & Managing Director in steering the Company to record levels of performance, establishing best people management practices and maintaining a strong rapport with all the stakeholders.

The Board placed on record its warm appreciation for the excellent contributions made by Mr. W. Michel Amick Jr., Mr. Russell V. Harris and Ms Megan A.F. Bula during their tenure as Non-Executive Directors of the Company.

The Board also placed on record its warm appreciation for the excellent contributions made by Mr. M.S. Ramachandran and Mr. Milind Sarwate during their tenure as Independent Directors of the Company.

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 Companies Act, 2013 and Regulations 16(1)(b) and 25(8) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that they are independent from the Management of the Company. Further all the Independent Directors have given declarations that they complied with the Companies (Appointment and Qualifications of Directors) Rules, 2014.

Mr. Sudarshan V. Somani, Mr. Arun Kumar Sureka and Ms. Veni Mocherla were appointed as Independent Directors of the Company during the year by the Board, upon recommendation of Nomination and Remuneration Committee and subject to Shareholders' approval. As per the Board of Directors, the aforesaid Directors meet the criteria for appointment as Independent Directors, under the Companies Act, 2013 i.e., integrity, expertise and experience (including the proficiency).

A separate Meeting of Independent Directors was held on October 30, 2019.

c. Non-Executive Directors

All the Directors of the Company (except two Independent Directors) were appointed during the year. Hence, none of the Directors are liable to retire by rotation at the ensuing Annual General Meeting, as per the provisions of Companies Act, 2013.

d. Managerial Personnel

As on March 31, 2020, Mr. Shree Kumar Bangur, Chairman & Managing Director, Mr. Saurabh Bangur, Chief Executive Officer, Mr. Anish T. Mathew, Director (Commercial) & Chief Financial Officer and Mr. C. Prabhakar, Company Secretary were the Key Managerial Personnel of the Company.

Mr. Saurabh Bangur has resigned as Chief Executive Officer effective May 31, 2020 and has been appointed as Joint Managing Director effective June 1, 2020. He continues to be Key Managerial Personnel.

Mr. C. Prabhakar superannuated from the services on July 31, 2020 and Mr. Aravind Matta has been appointed as Company Secretary and Key Managerial Personnel of the Company effective August 1, 2020.

The Board placed on record its warm appreciation for the long standing and excellent contribution made by Mr. C. Prabhakar during his tenure as the Company Secretary.

e. Meetings of the Board

During the year under review, five Board meetings and four Audit Committee meetings were held. 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 Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the

annual performance evaluation of Board, as well as the evaluation of the working of its Committees, on various parameters.

As the entire Board was re-constituted on October 30, 2019, except two retaining independent directors, the Board has chosen not to rate the performance of individual Directors.

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 Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other relevant Laws and Regulations. Details of Familiarization of Directors are disclosed on the Company's website.

h. Audit Committee

The Audit Committee as on March 31, 2020 comprised of Mr. Praveen P. Kadle as Chairman and Messrs Adhiraj Sarin, Arun Kumar Sureka and S.K. Bangur as other Members. All the recommendations made by the Audit Committee were accepted by the Board. For changes in the constitution of Audit Committee during the year, please refer to Corporate Governance Report, that forms part of this report.

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. 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.

Vigil 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.

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, 2020 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 Members of the Company at the 55th Annual General Meeting held on August 1, 2019 reappointed 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 58th Annual General Meeting.

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

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 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. Secretarial Audit Report under Section 204(1) of the Companies Act, 2013 issued by Messrs D. Hanumanta Raju & Co., Practicing Company Secretaries in respect of financial year 2019-20 is attached as Annexure-4 to this Report.

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

Cost Auditors

In terms of Section 148 of the Companies Act, 2013 read with the Companies (Audit & Auditors) Rules, 2014, the Board at their meeting held on May 29, 2020 appointed M/s. Narasimha Murthy & Co., Cost Accountants as Cost Auditors of the Company at a remuneration of ₹ 7.00 lakhs (excluding applicable taxes) plus reimbursement of out-of-pocket expenses on the recommendation of Audit Committee for the financial year ending March 31, 2021 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, 2019. The Cost Audit Report for the financial year ended March 31, 2019 was filed with the Ministry of Corporate Affairs in August, 2019.

The Cost Audit Report for the year ended March 31, 2020 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 or investments

No loans, guarantees, security and investments covered under the provisions of Section 186 of the Companies Act, 2013 were given during the year under review.

Subsidiary Company

The Company made an investment of ₹ 5.00 lakhs by way of share capital in Andhra Paper Foundation (Formerly known as IP India 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 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. Statement containing salient features of the financial statement of Foundation for the financial year ended March 31, 2020 is attached as Annexure - 5 to this Report.

Extract of the Annual Return

In terms of Section 92 of the Companies Act, 2013, the Extract of the Annual Return for the financial year ended March 31, 2020 is provided in Annexure 6 to this Report.

Business Responsibility Report ('BRR')

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, 'Business Responsibility Report' forms part of this Report as Annexure 7, 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, 2020 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 ended March 31, 2020 and of the profit 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, 2020 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.
- 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.

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: Hyderabad
Date: August 07, 2020

Shree Kumar Bangur
Chairman & Managing Director

ANNEXURE-1

Annual Report on Corporate Social Responsibility activities

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs

The focus area 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.

The CSR policy of the Company sets framework guiding the Company's CSR activities. A copy of the CSR policy is uploaded on the Company's website: www.andhraper.com.

2. The Composition of the CSR Committee

In accordance with the provisions of Section 135 of Companies Act, 2013, the Board of Directors constituted Corporate Social Responsibility Committee. As on March 31, 2020 the CSR Committee comprised of:

1.	Mr. Sudarshan V. Somani, Non-Executive Independent Director	-	Chairman
2.	Mr. Virendraa Bangur, Non-Executive Non-Independent Director	-	Member
3.	Mr. Rajendra Jain, Non-Executive Non-Independent Director	-	Member
4.	Mr. S.K. Bangur, Chairman & Managing Director	-	Member

3. Average net profit of the Company for the last three financial years

The average net profits of the Company for the three immediately preceding financial years calculated as specified by the Companies Act, 2013 was ₹ 14,351.20 lakhs.

4. Prescribed CSR expenditure (2% of the amount as in item 3 above)

The prescribed CSR expenditure for the financial year 2019-2020 is ₹ 287.02 lakhs.

5. Details of CSR spent during the financial year

(a) Total amount to be spent for the financial year

Total amount to be spent towards CSR during the financial year 2019-2020 was ₹ 287.02 lakhs.

(b) Amount unspent, if any

Rs.129.06 lakhs was unspent during the financial year 2019-20

(c) Manner in which the amount spent during the financial year is detailed below:

Sl. No.	Sector in which the project is covered	CSR Project or activity identified	Project or programs 1. Local area or other 2. Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or program wise (Rs. lakhs)	Amount spent on the projects or programs Sub-heads 1.Direct expenditure on projects or programs 2. Overheads (Rs.lakhs)	Cumulative expenditure upto the reporting period (Rs. lakhs)	Amount spent direct or through implementing agency
1	Health and wellness	Installation of SDW Plants, Maintenance of the SDW Plants installed and Supply of SDW through Tankers	a) Installation of 6 Community Safe Drinking Water & 11 School SDW Plants	22.30	22.30	22.30	Direct
			b) Maintenance of 44 SDW plants and related expenditure	8.36	8.36	8.36	Direct
			c) Continue to provide water through tankers to the Communities in Katheru Village	9.47	9.47	9.47	Direct
	Infrastructure development support	Renovation of TB ward & Trauma ward in Government District General Hospital in Rajahmundry	43.78	43.78	43.78	Direct	

Sl. No.	Sector in which the project is covered	CSR Project or activity identified	Project or programs 1. Local area or other 2. Specify the state and district where projects or programs was undertaken	Amount outlay (budget) project or program wise (Rs. lakhs)	Amount spent on the projects or programs Sub-heads 1.Direct expenditure on projects or programs 2. Overheads (Rs.lakhs)	Cumulative expenditure upto the reporting period (Rs. lakhs)	Amount spent direct or through implementing agency	
2	Education – a) Academic b)Career Counselling c)PILLARS d)Infrastructure Support	Promoting Education	a) Project new horizons - spoken English classes for classes IX and X to the students of 13 Municipal High Schools in Rajahmundry town & APPM Model High School	16.30	16.30	16.30	Direct	
			b) Career Counselling for 1500 students of 13 Municipal High School students in Rajahmundry & APPM Model High School	7.70	7.70	7.70	Direct	
			c) PILLARS – Project for Improvement of Learning Levels through Academic support in Rural Schools GGHS in Rajahmundry and ZPHS in Kadiyam Mandal	11.99	11.99	11.99	Direct	
			d) School Infrastructure at primary schools in Damireddy palli, Muramanda and Velugubanda	24.50	24.50	24.50	Direct	
3	Community Engagement-	Promoting gender equality, empowering women etc.	a) Skilling – Tailoring Center for Women in Mallayya Peta, Rajahmundry and Kadiyam village	1.43	1.43	1.43	Direct	
			Rural development projects	b) Construction of bus shelter at Kadiyam	0.72	0.72	0.72	Direct
			Safety Training for Community	c)Road Safety Project in association with Traffic Police and RTA	1.68	1.68	1.68	Direct
			Volunteering Activities	d)Volunteering on World Environment Day, Int’al Yoga Day etc.,	0.31	0.31	0.31	Direct
			Miscellaneous expenditure	e) Other Volunteer activities and CSR expenditure	0.42	0.42	0.42	Direct
4	Donation to Andhra Paper Foundation, 100% subsidiary of the Company (incorporated for the purpose of carrying on charitable activities)	Contribution to corpus of Section 8 Company.	To carry on CSR activities	9.00	9.00	9.00	Direct	
Total				157.96	157.96	157.96		

6. In case the Company has failed to spend the 2% of the average net profits of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.

An amount of Rs.129.06 lakhs was not spent during the year related to a pipeline project. The project could not completed due to administrative reasons.

7. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

The CSR Committee hereby confirms that the implementation and monitoring of CSR activities is in compliance with CSR objectives and the CSR Policy of the Company.



Shree Kumar Bangur
Chairman & Managing Director



Sudarshan V. Somani
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:

- KA Installation of Capacitor Banks Plant Wide;
- Kadiyam TG Power factor improve to match with GRID power resulting Power saving of 15000 Units/Month;
- Lighting Transformer for RJ#2 Machine;
- RJ Lighting Transformer for RJ#2 Machine;
- DP between Dryer group reduced to $< =0.3$ bar in RJ2,5,6;
- Drainage Improved at wire part;
- Refiner sec control provided in place of Load control;
- Flat yarn dryer screen in place of round yarn in RJ2,3,5 and 6;
- Pulper running hour optimized;
- Vacuum pump sealing water flow reduced by 30%;
- Optimization of Vacuum pump running;
- Brushing refiner of RJ1 and RJ4 running hour optimization;
- RB4 process optimization to increase boiler efficiency;
- Damaged Insulation identified and rectified in Power block area;
- Re-use of clean condensate and safety cyclone vapour in Pulp Mill in place of hot water;
- Optimization of digester degas VLV opening;
- VFD installed at MC pump 56 and RPM reduced from 1,460 to 1,400;
- H2o2 Centrifugal pump replaced with reciprocating pump with flow adjustment;
- Installation of Dryer for ETP sludge to reduce moisture content from existing 65% to 15% in order to partial reduction of coal in boilers by burning the same;
- ETP Biological unit process further improved by replacing existing membrane of 1,000 nos. with new membranes;
- Specific water consumption reduced from 58 KL / Tonne of product to 54 KL / Tonne of product by adopting 4R concept i.e. reduce, reuse, recycle, recover.

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

- Increased pulp production to increase Black Liquor firing and reduction in Coal consumption;
- Increased consumption of Bark in CF6 to reduce coal consumption.

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

- KA installation of Capacitor Banks Plant Wide;
- TG Power factor was improved to match with GRID power resulting Power saving of 15,000 Units/Month at Unit: Kadiyam;
- Lighting Transformer for RJ#2 Machine;
- RJ PM5 Dry-end Tail Cutter;
- RJ Camber Roll for RJ # 3 & 5;
- Wash Roll Doctor Holder for RJ # 3 & RJ5;
- RJ RB4 Bottom Furnace Changing 2019.

(B) Technology absorption-

I. Efforts made towards technology absorption:

• **RJ High Pressure Shower For RJ2 & RJ3**

Provided High pressure showers with duplex filter for RJ2&3 machines to avoid defects like paper holes and spots

• **RJ EGT-Tester for R&D 2018**

Provided EGT to determine the percentage of air that is entrained in paper machine head box pulp suspension and backwater system

• **RJ PM5 Dryend Tail Cutter 2018**

Installed Dryend Tail Cutter to narrow tail during paper break for threading the sheet to upstream, decrease downtime in tail threading thereby improving the efficiency of tail threading and safe operations

• **RJ Camber Roll for RJ # 3 & 5 – 2019**

Replaced fixed camber rolls with foxed camber rolls to reducing paper curls and hydraulic pump failures

• **Wash Roll Doctor Holder for RJ # 3 & RJ5 – 2019**

Replaced manually loaded wire roll doctor holder as its micro adjustment is not working properly leading to gap between roll and doctor holder

• **RJ RB4 Bottom Furnace Changing 2019**

Replaced side wall panels above Secondary Air Ports, Lower furnace and its side (corner) sealing for current process conditions to improve the reliability of Recovery Boiler 4 and upgrade the primary/secondary air system per the CFD modelling.

RB4 Bottom Furnace was changed above the secondary air ports with Cast Steel nozzles of PA ports and latest developed floor to side wall sealing (without top membrane plate). No. of PA & SA airports are designed based on the CFD analysis

• **Installed New Methanol Tank on the Ground**

Installed a methanol storage tank above the ground with necessary accessories and safety related items in place of present underground MS tank making the inspection and maintenance/preventive maintenance easier

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

- ROP improvement in RJ#5
- Breaks recovery time reduction
- ROP improvement in RJ#2
- ROP improvement in RJ#3
- Better Reliability at RJ#3
- Reduction in caustic consumption in Pulp Mill
- Reduction in OBA consumption
- Wet Lap pulp production and supply increase
- Pulp yield improvement

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	Installation of New Reel Turn-up Systems at RJ-2, RJ-3 & RJ-5 for reducing wastages & Operator safety All equipment & consumables from IBS, Austria
	b.	Year of import	2017
	c.	Has the technology been fully absorbed?	Technology has been fully absorbed.
	d.	If not fully absorbed, areas where absorption has not taken place, and the reasons thereof	Not applicable

2.	a.	Details of technology imported	Reel turn up system for RJ2,3&5: To avoid manual intervention in reel change at paper machines we have provided automatic reel change keeping man away from rotating equipment. Apart from safe operation it gives easier operation, and wrinkle free sheet transfer. Technology was imported from M/s. IBS, Austria
	b.	Year of import	2018
	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	Double Doctor for RJ5 pick up roll: Replaced existing single doctor to double doctor to avoid water carry over and to improve dryness of web. Technology imported from M/s. IBS, Austria
	b.	Year of import	2018
	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	Andritz burner for RB#4, RLK1&2: Eliminated hand torch for light up of Start-up Burners of Recovery Boiler#4, RLK-1&2 by replacing with gas based pilot burner and Oil Burners and incorporated with the BMS PLC system as per IP Orange Book guidelines. Technology imported from M/s. Andritz, Finland.
	b.	Year of import	2018
	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

Specific Area in Which R&D carried out by the company	<p>New Product Developed (Plain Kraft Hi-BF, Cupstock, Cupstock Bottom, Sapphire Star, Andhra millennium Copier 75 gsm, Sketch Choice (NS) 95 gsm on RJ#2 etc.)</p> <p>Product Quality Improvement (Customer Complain reduction by 20%, Dye spots defect reduction, Dryness profile of paper samples in all machines, fluff control, CD profile for Gsm and calliper at Rj#1 machine, Effect of usage of RLK lime sludge (Filter cake) as a filler on optical and strength properties of paper, Study of colour reduction in Do & Eop washer filtrates and MDP combined effluent sample. RJ 1 new de-foamer use to reduce foam in the back water system)</p> <p>Process optimization (Chips classifications for wood chips size optimization, Caustic dosage optimization in Eop stage at fibre line, ClO2 reduction with usage of bleach enzyme, Central Refining energy changed to SEC mode for better process control, Fibermizer rejects diverted to wet lap to save about 2 MT per day, Assessment of Adequacy & Performance Evaluation of existing ETP)</p> <p>Plant Trial for Cost Reduction (Bleaching trials with peroxy bleach to reduce/eliminate the use of Hydrogen peroxide and also to observe the reduction in caustic consumption, Wash aid washing efficiency of fiber line brown stock washing and to reduce washable soda loss, Refining enzyme, Papyrus BIC bulking agent to increase bulk and to improve the machine runnability in low gsm papers on RJ#6 machine, Amphoteric DSR in place of existing Cationic DSR, Oxidizing biocide & deposit control program to solve the deposits problems and to extend the boil out period, Defoamer to find out an effective alternate defoamer to reduce the cost/consumption of defoamer, To study the effectiveness of colloidal silica liquid Ivax Silfloc of M/s. Ivax Chemicals on Rj#6 machine)</p>
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Benefits derived as a result of R&D	<ul style="list-style-type: none"> – New products developed as per market demand. – Modification of products for Customer satisfaction. – Plant Efficiency and uptime increased – Identification of additives for quality Improvement and cost reduction
Future Plan of Action	<p>Product Development (Andhra Virgin Kraft (NS) 60-120 Gsm on Rj#6, 65 GSM in Copier, High Bulk Qualities, Sublimation Paper and Single Use Plastic replacement Paper grades etc.)</p> <p>Quality Improvement (Bulk Improvement, GSM CD profile variation reduction, roughness reduction, Reel Build up, Caliper Variation Reduction)</p> <p>Process Optimization (ClO2, H2O2 and NaOH optimization, Fresh water saving, GCC to PCC replacement, Powder OBA optimization, size press surface filling for ash improvement.)</p> <p>Plant Trial for Cost Reduction (Dye fixing agent on RJ#1, Digester additive replacement at fibre line for cost reduction and For reducing overall fresh water consumption in the mills by using RCB water in place of hot water on D1 washer at fibre line)</p>

(C) Expenditure incurred on Research and Development:

(₹ in lakhs)

a.	Capital	-
b.	Recurring	34.41
c.	Total	34.41

(D) Foreign exchange earnings and Outgo-

(₹ in lakhs)

Foreign Exchange earned in terms of actual inflows	14,698.70
Foreign Exchange outgo in terms of actual outflows	2,502.59

ANNEXURE-3

The ratio of the remuneration of each Director/Key Managerial Personnel (KMP) to the median employee's remuneration and other details in terms of sub-section 12 of Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 for the financial year 2019-2020:

Sl. No	Name of Director/KMP and Designation	Remuneration of Director/ KMP for the financial year 2019-2020 (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	N.A
ii.	Praveen P. Kadle Independent Director	71.068 [#]	276.22	9.98
iii.	Adhiraj Sarin Independent Director	70.818 [#]	247.49	9.95
iv.	Sudarshan V. Somani Independent Director	3.25	N.A [@]	0.46
v.	Arun Kumar Sureka Independent Director	2.50	N.A [@]	0.35
vi.	Rajendra Jain Non-Executive Director	1.50	N.A [@]	0.21
vii.	Ms. Veni Mocherla Independent Director	1.00	N.A [@]	0.14
viii.	Virendraa Bangur Non-Executive Director	1.00	N.A [@]	0.14
ix.	Anish T. Mathew Director (Commercial) & Chief Financial Officer	149.48	64.68	20.99
x.	Saurabh Bangur Chief Executive Officer	11.81	N.A [@]	1.66
xi.	C. Prabhakar Company Secretary	118.13	-16.34	16.59
xii.	Donald P. Devlin Chairman & Managing Director	-	N.A	N.A
xiii.	W. Michael Amick Jr. Non-Executive Director	-	N.A	N.A
xiv.	Russell V. Harris Non-Executive Director	-	N.A	N.A
xv.	Ms. Megan A.F. Bula Non-Executive Director	-	N.A	N.A
xvi.	Milind Sarwate Independent Director	71.068 [#]	N.A [@]	9.98
xvii.	M.S. Ramachandran Independent Director	68.818 [#]	N.A [@]	9.67
xviii.	Ms. Ranjana Kumar Independent Director	63.318 [#]	N.A [%]	N.A

[@] for a part of the year

[#] includes commission relating to the financial year 2018-19 paid during the financial year 2019-2020

[%] Ceased to be a Director w.e.f. March 31, 2019.

The percentage increase in the median remuneration of employees in the financial year	The median remuneration of employees in the current financial year registered increase of 49.83% over the previous financial year.
The number of permanent employees on the rolls of the Company	There were 1,853 employees as on March 31, 2020
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 thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;	The average increase in salary/wages of the employees was 25% (other than managerial personnel) whereas remuneration to managerial personnel increased by 20% during the year.

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

Hyderabad
August 7, 2020

For and on behalf of the Board



Shree Kumar Bangur
Chairman & Managing Director

ANNEXURE-4

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31.03.2020

[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

(FORMERLY KNOWN AS INTERNATIONAL PAPER APPM 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 (Formerly Known as International Paper APPM 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, 2020, 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, 2020, 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 listed entity during the period under review);
 - (e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the listed entity 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 listed entity during the period under review); and
 - (j) Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- (vi) Other laws **specifically** applicable to the Company include:
- A. Indian Boilers Act, 1923
 - B. The Environment (Protection) Act, 1986 and allied Environment Laws
 - C. 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.
- (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 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 at least 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 decision is 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.

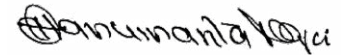
We further report that company has subscribed to an Online Compliance Management System whereby system generated reports are submitted quarterly to the members of the Board about any non-compliance and delayed compliance, if any, with respect to all laws and rules that are applicable to the Company.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

We further report that Mr. Shree Kumar Bangur after his appointment as Chairman and Managing Director at the Board Meeting held on 30.10.2019 attained the age of 70 years on 16.11.2019 and as per the explanations and information given to us, the Company is proposing to seek approval of shareholders by special resolution at the ensuing Annual General Meeting.

We further report that during the period under review there is change in the promoter and management of the company due to acquisition of 72.2% shareholding by West Coast Paper Mills Limited and by virtue of this, Andhra Paper Limited has become subsidiary of West Coast Paper Mills Limited.

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.

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



**CS D. HANUMANTA RAJU
PARTNER**

**Place: Hyderabad
Date: 22.05.2020**

**FCS: 4044, CP NO: 1709
UDIN: F004044B000269232**

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.

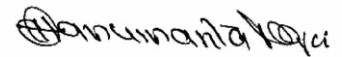
'Annexure A'

To
The Members,
ANDHRA PAPER LIMITED
(FORMERLY KNOWN AS INTERNATIONAL PAPER APPM 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 and 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:F004044B000269232

Place: Hyderabad
Date: 22.05.2020

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

(Information in respect of each subsidiary to be presented with amounts in Rupees)

Name of the subsidiary	Andhra Paper Foundation (Formerly known as IP India 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.500,000
Reserves & surplus	Rs.12,82,771
Total assets	Rs.20,71,697
Total Liabilities	Rs.20,71,697
Investments	Rs.10,81,019
Turnover	Rs.11,45,812
Excess of expenditure over income, before taxation	Rs.33,32,718
Provision for taxation	NIL
Excess of expenditure over income, after taxation	Rs.33,32,718
Proposed Dividend	Not applicable
% of shareholding	100

1. Names of subsidiaries which are yet to commence operations - Nil
2. 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 do not have any Associates/Joint Ventures.

For and on behalf of the Board



Shree Kumar Bangur
Chairman & Managing Director

Hyderabad
August 7, 2020

ANNEXURE-6

Form No. MGT-9

EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2020

[Pursuant to Section 92(3) of the Companies Act, 2013 and

Rule 12(1) of the Companies (Management and Administration) Rule, 2014]

I. Registration and other details:

i)	CIN	L21010AP1964PLC001008
ii)	Registration Date	June 29, 1964
iii)	Name of the Company	Andhra Paper Limited (Formerly known as International Paper APPM Limited)
iv)	Category /Sub Category of the Company	Category : Public Company Sub-category : Indian Non-Government company
v)	Address of the Registered Office and contact details	Rajahmundry – 533 105 East Godavari District, Andhra Pradesh, India Phone : +91 883 247 1831 to 1834 Fax : +91 883 246 1764 Email : aravind.matta@andhrapaper.com
vi)	Whether listed company	Yes
vii)	Name, address and contact details of Registrar and Transfer Agent, if any:	KFin Technologies Private Limited (Formerly known as Karvy Fintech Private Limited and earlier as Karvy Computershare Private Limited) Karvy Selenium, Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Mandal Hyderabad – 500 032, Rangareddy District, Telangana, India Phone : +91 40 6716 1606/1770 Fax : +91 40 2342 0814 E-mail : einward.ris@kfintech.com

II. Principal business activities of the Company (All the business activities contributing 10% or more of the total turnover of the company shall be stated)

S. No.	Name and description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1.	Manufacture and sale of paper, pulp and paper & paper board	17011, 17016 and 17093	100

III. Particulars of holding, subsidiary and associated companies

S. No.	Name and address of the company	CIN/GLN	Holding/ Subsidiary / Associate	% of shares held	Applicable Section
1.	West Coast Paper Mills Limited PB No.5, Bangur Nagar, Dandeli, Karnataka – 581 325	L02101KA1955PLC001936	Holding	72.20	2(46)
2.	Andhra Paper Foundation (Formerly known as IP India Foundation) Krishe Sapphire Building, 8 th Floor, 1-89/3/ B40 to 42/KS/801, Hi-tech City Main Road, Madhapur, Hyderabad – 500 081, Telangana, India	U80301TG2013NPL088489	Subsidiary	100.00	2(87)

IV. Shareholding pattern (Equity share Capital break-up as percentage of total equity)

i. Category-wise shareholding

Category of shareholders	No. of shares held at the beginning of the year (01.04.2019)				No. of shares held at the end of the year (31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
A. Promoters									
1. Indian									
a. Individual/ HUF	-	-	-	-	-	-	-	-	-
b. Central Government	-	-	-	-	-	-	-	-	-
c. State Government(s)	-	-	-	-	-	-	-	-	-
d. Bodies Corporate	-	-	-	-	28,713,400	-	28,713,400	72.20	72.20
e. Banks / FI	-	-	-	-	-	-	-	-	-
f. Any other	-	-	-	-	-	-	-	-	-
Sub-total(A) (1)	-	-	-	-	-	-	-	-	-
2. Foreign									
a. NRIs –Individuals	-	-	-	-	-	-	-	-	-
b. Other – Individuals	-	-	-	-	-	-	-	-	-
c. Bodies Corporate	29,827,529	-	29,827,529	75.00	7,954,008	-	7,954,008	20.00	-55.00
d. Banks/FI	-	-	-	-	-	-	-	-	-
e. Any Other	-	-	-	-	-	-	-	-	-
Sub-total (A)(2)	29,827,529	-	29,827,529	75.00	36,667,408	-	36,667,408	92.20	17.20
Total shareholding of promoter (A) = (A)(1)+(A)(2)	29,827,529	-	29,827,529	75.00	36,667,408	-	36,667,408	92.20	17.20
B. Public Shareholding									
1. Institutions									
a. Mutual Funds	102,100	-	102,100	0.26	-	-	-	-	-0.26
b. Banks / FI	65,750	330	66,080	0.17	10,622	330	10,952	0.03	-0.14
c. Central Government									
d. State Government(s)									
e. Venture Capital Funds									
f. Insurance Companies	1,069,021	150	1,069,171	2.69	234,315	150	234,465	0.59	-2.10
g. Foreign Portfolio Investors/ FIIs	592,115	-	592,115	1.49	62,933	-	62,933	0.16	-1.33
h. Foreign Venture Capital Funds									
i. Others (specify)									
1.Foreign Banks	-	150	150	0.00	-	150	150	0.00	0.00
Sub-total (B)(1)	1,828,986	630	1,829,616	4.60	307,870	630	308,500	0.78	-3.83
2. Non-Institutions									
a. Bodies Corporate									
i. Indian	1,467,405	2,188	1,469,593	3.70	285,300	2,188	287,488	0.72	-2.98
ii. Overseas									
b. Individuals									
i. Individual shareholders holding nominal share capital up to ₹ 1 lakh	4,170,415	187,309	4,357,724	10.96	1,782,675	173,172	1,955,847	4.92	-6.04
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1,837,318	10,365	1,847,683	4.64	343,502	10,365	353,867	0.89	-3.75
c. Others specify:									
i. Non Resident Indians	253,997	70	254,067	0.64	58,595	70	58,665	0.15	-0.49
ii. Clearing Members	41,542	-	41,542	0.10	17,585	-	17,585	0.04	-0.06
iii. Trusts	17,981	-	17,981	0.05	13,981	-	13,981	0.04	-0.01

Category of shareholders	No. of shares held at the beginning of the year (01.04.2019)				No. of shares held at the end of the year (31.03.2020)				% Change during the year
	Demat	Physical	Total	% of Total shares	Demat	Physical	Total	% of Total shares	
iv. Foreign Nationals	-	-	-	-	-	-	-	-	-
v. NBFC	15,200	-	15,200	0.04	-	-	-	0.00	-0.04
vi. Unclaimed Suspense Account	26	-	26	0.00	26	-	26	0.00	0.00
vii. IEPF	1,09,078	-	1,09,078	0.27	106,672	-	106,672	0.27	0.00
Sub-total (B)(2)	7,912,962	199,932	8,112,894	20.40	2,608,336	185,795	2,794,131	7.03	-13.37
Total Public Shareholding (B) = (B)(1) + (B)(2)	9,741,948	200,562	9,942,510	25.00	2,916,206	186,425	3,102,631	7.80	-17.20
C. Shares held by Custodian for GDRs & ADRs									
Grand Total (A+B+C)	39,569,477	200,562	39,770,039	100.00	39,583,614	186,425	39,770,039	100.00	0.00

ii. Shareholding of Promoters

Sl.No.	Shareholder's name	Shareholding at the beginning of the year (01.04.2019)			Shareholding at the end of the year (31.03.2020)			% change in shareholding during the year
		No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of total shares of the Company	% of shares pledged / encumbered to total shares	
1	International Paper Investments (Luxembourg) S.a.r.l.	21,856,033	54.96	-	7,954,008	20.00	-	-34.96
2	IP International Holdings Inc.	7,971,496	20.04	-	-	-	-	-20.04
3	West Coast Paper Mills Limited	-	-	-	28,713,400	72.20	51.00	72.20
Total		29,827,529	75.00	-	36,667,408	92.20	-	17.20

iii. Change in Promoters' Shareholding

Sl. No.	Name of the Promoter	Shareholding at the beginning of the year (April 1, 2019)		Date wise Increase/decrease in Promoters shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/ bonus/sweat equity etc.)			Cumulative shareholding during the year (April 1, 2019 to March 31, 2020)	
		No. of shares	% of total shares of the Company	Date	No. of Shares	Reason	No. of shares	% of total shares of the Company
1	International Paper Investments (Luxembourg) S.a.r.l.	21,856,033	54.96	October 29, 2019	-13,902,025	Transfer	7,954,008	20.00
				March 31, 2020			7,954,008	20.00
2	IP International Holdings Inc.	7,971,496	20.04	October 29, 2019	- 7,971,496	Transfer	0	0.00
3	West Coast Paper Mills Limited			October 11, 2019	6,839,879	Transfer	6,839,879	17.20
				October 29, 2019	21,873,521	Transfer	28,713,400	72.20
				March 31, 2020			28,713,400	72.20

iv. Shareholding pattern of top ten shareholders (other than directors, promoters and holders of GDRs and ADRs):

Sl. No.	Name of the shareholder	Shareholding at the beginning of the year (April 1, 2019)		Increase/decrease in shareholding			Cumulative shareholding during the year (April 1, 2019 to March 31, 2020)	
		No. of shares	% of total shares of the Company	Date	No. of shares	Reason	No. of shares	% of total shares of the Company
1	The Oriental Insurance Company Limited DPID:IN300812 Client ID: 10000560	684,706	1.72	April 1, 2019			684,706	1.72
				October 11, 2019	-684,706	Transfer	0	0.00
2	Manish Lakhi DPID:IN300159 Client ID: 10026414	463,752	1.17	April 1, 2019			463,752	1.17
				May 31, 2019	-19,000	Transfer	444,752	1.12
				June 14, 2019	-46,101	Transfer	398,651	1.00
				June 21, 2019	-148,541	Transfer	250,110	0.63
				June 28, 2019	-39,188	Transfer	210,922	0.53
				October 11, 2019	-210,922	Transfer	0	0.0
3	The New India Assurance Company Limited DPID: IN300812 Client ID:10001728	384,237	0.97	April 1, 2019			384,237	0.97
				June 21, 2019	-102,245	Transfer	281,992	0.71
				June 28, 2019	-47,755	Transfer	234,237	0.59
				March 31, 2020			234,237	0.59
4	Chirag Dilipkumar Lakhi DPID:IN300159 Client ID:10614573	296,577	0.75	April 1, 2019			296,577	0.75
				May 3, 2019	-25,542	Transfer	271,035	0.68
				August 16, 2019	-32,500	Transfer	238,535	0.60
				October 11, 2019	-238,535	Transfer	0	0.00
5	OHM Stock Broker Pvt. Ltd, DPID: 11903 Client ID: 1301190300043519	125,000	0.31	April 1, 2019			1,25,000	0.31
				April 12, 2019	-5,000	Transfer	120,000	0.30
				May 31, 2019	-20,000	Transfer	100,000	0.25
				June 07, 2019	-25,000	Transfer	75,000	0.19
				June 21, 2019	-40,000	Transfer	35,000	0.09
				June 28, 2019	-35,000	Transfer	0	0.00
6	Radhakishan Damani DPID: IN305099 Client ID: 20005754	110,000	0.28	April 1, 2019		No change	110,000	0.28
				March 31, 2020			110,000	0.28
7	Acadian Emerging Markets Small CAP Equity Fund LLC DPID: IN300167 Client ID: 10118522	106,478	0.27	April 1, 2019			106,478	0.27
				April 26, 2019	-6,634	Transfer	99,844	0.25
				May 17, 2019	-7,779	Transfer	92,065	0.23
				June 14, 2019	-14,916	Transfer	77,149	0.19
				June 28, 2019	-16,904	Transfer	60,245	0.15
				July 19, 2019	-14,508	Transfer	45,737	0.12
				August 9, 2019	-12,683	Transfer	33,054	0.08
				September 6, 2019	-27,220	Transfer	5,834	0.01
				September 27, 2019	-3,474	Transfer	2,360	0.01
				October 25, 2019	-2,360	Transfer	0	0.00
8	Emerging Markets Core Equity Portfolio (The Portfolio) of DFA Investment Dimensions Group Inc. (DFAIDG) DPID: IN300054 Client ID: 10013410	101,657	0.26	April 1, 2019			101,657	0.26
				October 11, 2019	-101,657	Transfer	0	0.00

Sl. No.	Name of the shareholder	Shareholding at the beginning of the year (April 1, 2019)		Increase/decrease in shareholding			Cumulative shareholding during the year (April 1, 2019 to March 31, 2020)	
		No. of shares	% of total shares of the Company	Date	No. of shares	Reason	No. of shares	% of total shares of the Company
9	Principal Trustee Co. Pvt. Ltd. A/C Principal Mutual Fund – Principal Dividend Yield Fund DPID:IN303786 Client ID: 10003377	100,800	0.25	April 1, 2019			100,800	0.25
				May 17, 2019	-5,000	Transfer	95,800	0.24
				May 24, 2019	-4,000	Transfer	91,800	0.23
				May 31, 2019	-18,000	Transfer	73,800	0.19
				June 7, 2019	-9,000	Transfer	64,800	0.16
				June 21, 2019	-9,000	Transfer	55,800	0.14
				June 28, 2019	-3,900	Transfer	51,900	0.13
				September 20, 2019	-6,900	Transfer	45,000	0.11
				October 11, 2019	-45,000	Transfer	0	0.00
10	Nirmal Bang Financial Services Pvt. Ltd. DPID: IN301604 Client ID: 10020533	99,886	0.25	April 1, 2019			99,886	0.25
				April 5, 2019	-810	Transfer	99,076	0.25
				May 3, 2019	-25,000	Transfer	74,076	0.19
				May 31, 2019	-74,076	Transfer	0	0.00
11	Nirmal Bang Commodities Private Limited DPID: IN301604 Client ID: 10145914	-	-	April 1, 2019			0	0
				October 4, 2019	74,463	Transfer	74,463	0.19
				November 1, 2019	-44	Transfer	74,419	0.19
				March 31, 2020			74,419	0.19
12	Arun Sanmati Jhaveri DPID: IN300214 Client ID: 24510265	20,550	0.05	April 1, 2019			20,550	0.05
				April 5, 2019	150	Transfer	20,700	0.05
				April 12, 2019	200	Transfer	20,900	0.05
				May 3, 2019	100	Transfer	21,000	0.05
				May 10, 2019	100	Transfer	21,100	0.05
				May 17, 2019	100	Transfer	21,200	0.05
				May 24, 2019	50	Transfer	21,250	0.05
				September 27, 2019	11,930	Transfer	33,180	0.08
				September 30, 2019	3,070	Transfer	36,250	0.09
				October 4, 2019	2,100	Transfer	38,350	0.10
				October 11, 2019	50	Transfer	38,400	0.10
				March 27, 2020	50	Transfer	38,450	0.10
				March 31, 2020	100	Transfer	38,550	0.10
13	Pranav Kumarpal Parekh DPID: IN300409 Client ID: 10012064	47,407	0.12	April 1, 2019			47,407	0.12
				October 11, 2019	-47,407	Transfer	0	0.00
				November 22, 2019	31,912	Transfer	31,912	0.08
				March 30, 2020	4,193	Transfer	36,105	0.09
				March 31, 2020			36,105	0.09
14	Vinodchandra Mansukhlal Parekh DPID: IN300409 Client ID: 10011221	44,211	0.11	April 1, 2019			44,211	0.11
				October 11, 2019	-39,306	Transfer	4,905	0.01
				November 8, 2019	15,715	Transfer	20,620	0.05
				January 3, 2020	4,538	Transfer	25,158	0.06
				February 21, 2020	434	Transfer	25,592	0.06
				February 28, 2020	1,051	Transfer	26,643	0.07
15	Artico Sicav – Artico Global Small Cap DPID: IN301524 Client ID: 30045200	25,614	0.06	April 1, 2019	No Change		25,614	0.06
				March 31, 2020			25,614	0.06

Sl. No.	Name of the shareholder	Shareholding at the beginning of the year (April 1, 2019)		Increase/decrease in shareholding			Cumulative shareholding during the year (April 1, 2019 to March 31, 2020)	
		No. of shares	% of total shares of the Company	Date	No. of shares	Reason	No. of shares	% of total shares of the Company
16	Deepak Khimji Chheda DPID: IN305099 Client ID: 10029562	23,000	0.06	April 1, 2019	No Change		23,000	0.06
				March 31, 2020			23,000	0.06
17	Manoj Kumar Kothari HUF DPID: 65900 Client ID: 1206590000081092	-	-	April 1, 2019			-	-
				December 27, 2019	20,900	Transfer	20,900	0.05
				March 31, 2020			20,900	0.05
18	MV SCIF Mauritius DPID: IN300167 Client ID: 10081087	63,179	0.16	April 1, 2019			63,179	0.16
				April 26, 2019	279	Transfer	63,458	0.16
				May 10, 2019	-4,356	Transfer	59,102	0.15
				May 31, 2019	613	Transfer	59,715	0.15
				June 14, 2019	1,450	Transfer	61,165	0.15
				June 28, 2019	-2,135	Transfer	59,030	0.15
				July 5, 2019	-1,444	Transfer	57,586	0.14
				July 12, 2019	-1,444	Transfer	56,142	0.14
				July 26, 2019	124	Transfer	56,266	0.14
				September 20, 2019	-1,444	Transfer	54,822	0.14
				September 27, 2019	-7,766	Transfer	47,056	0.12
				October 4, 2019	-4,445	Transfer	42,611	0.11
				October 11, 2019	-7,408	Transfer	35,203	0.09
				October 18, 2019	-11,675	Transfer	23,528	0.06
				December 6, 2019	-1,250	Transfer	22,278	0.06
				December 20, 2019	15,454	Transfer	37,732	0.09
				December 27, 2019	9,444	Transfer	47,176	0.12
				December 31, 2019	-626	Transfer	46,550	0.12
				February 7, 2020	-1,261	Transfer	45,289	0.11
				February 28, 2020	-1,258	Transfer	44,031	0.11
March 13, 2020	-630	Transfer	43,401	0.11				
March 20, 2020	-6,634	Transfer	36,767	0.09				
March 27, 2020	-14,734	Transfer	22,033	0.06				
March 31, 2020	-1,928	Transfer	20,105	0.05				

v. Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Name of the Director / Key Managerial Personnel	Shareholding at the beginning of the year (April 1, 2019)		Increase/decrease in shareholding		Shareholding at the end of the year (March 31, 2020)	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company	No. of shares	% of total shares of the company
1	Mr. C. Prabhakar, Company Secretary	258	0.00	-	-	258	0.00
2	Mr. Anish T. Mathew Chief Financial Officer	10	0.00	-	-	10	0.00

V) **Indebtedness of the Company including interest outstanding/accrued but not due for payment** (₹ Lakhs)

	Secured Loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	-	1,479.58	-	1,479.58
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i + ii + iii)	-	1,479.58	-	1,479.58
Change in indebtedness during the financial year				
* Addition	195.53	2,500.00	-	2,695.53
* Reduction	195.53	2,725.50	-	2,921.03
Net change		(-) 225.50	-	(-)225.50
Indebtedness at the end of the financial year				
i. Principal Amount	-	1,254.08	-	1,254.08
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
Total (i +ii +iii)	-	1,254.08	-	1,254.08

VI. **Remuneration of Directors and Key Managerial Personnel**

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (₹ Lakhs)

Sl. No.	Particulars of remuneration	Name of Managing Director, Whole-time Directors and / or Manager : Anish T Mathew
1.	Gross salary	
	a. Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961	149.48
	b. Value of perquisites under section 17(2) of the Income Tax Act, 1961	-
	c. Profits in lieu of salary under section 17(3) of the Income- tax Act, 1961	-
2.	Stock option	-
3.	Sweat equity	-
4.	Commission - as % of profit	-
	- Others	-
5.	Others	-
	Total	149.48
	Ceiling as per the Act	The above remuneration is within the limits prescribed under the Act.

B. Remuneration to other directors (₹ Lakhs)

Sl. No.	Particulars of remuneration	Name of Directors								Total amount
		Mr. M.S. Ramachandran	Ms. Ranjana Kumar	Mr. Praveen P. Kadle	Mr. Adhiraj Amar Sarin	Mr. Milind Sarwate	Mr. Sudarshan V. Somani	Mr. Arun Kumar Sureka	Ms. Veni Mocherla	
1.	Independent Directors									
	Fee for attending board/ committee meetings	5.50	0.00	7.75	7.50	7.75	3.25	2.50	1.00	35.25
	Commission*	63.318	63.318	63.318	63.318	63.318	-	-	-	316.59
	Others	-	-	-	-	-	-	-	-	-
	Total (1)	68.818	63.318	71.068	70.818	71.068	3.25	2.50	1.00	351.84

2.	Other Non-Executive Directors	Mr. W. Michael Amick Jr.	Mr. Russell V. Harris	Ms. Megan A.F Bula	Mr. Rajendra Jain	Mr. Virendraa Bangur	Total amount
	Fee for attending board / committee meetings	-		-	1.50	1.00	2.50
	Commission	-		-	-	-	-
	Others	-		-	-	-	-
	Total (2)	-		-	1.50	1.00	2.50
	Total (B)=(1)+(2)						354.34
	Total managerial remuneration (A+B)						503.82
	Overall Ceiling as per the Act	Within the ceiling as per Section 197(5) of the Companies Act, 2013					

* Excluding applicable Taxes

C. Remuneration to Key Managerial Personnel other than MD/manager/whole-time director (₹ Lakhs)

Sl. No.	Particulars of remuneration	Key Managerial Personnel		
		Mr. C. Prabhakar Company Secretary	Mr. Saurabh Bangur CEO	Total
1.	Gross salary			
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	115.73	11.81	127.54
	b. Value of perquisites under Section 17(2) of the Income-tax Act, 1961	2.40	-	2.40
	c. Profits in lieu of salary under 17(2) of the Income-tax Act, 1961	-	-	-
2.	Stock option	-	-	-
3.	Sweat equity	-	-	-
4.	Commission	-	-	-
5.	Others	-	-	-
	Total	118.13	11.81	129.94

VII. Penalties / punishment/ compounding of offences - NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
A. Company					
Penalty					
Punishment					
Compounding					
B. Directors					
Penalty					
Punishment					
Compounding					
C. Other Officers in Default					
Penalty					
Punishment					
Compounding					

ANNEXURE-7

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 (formerly known as International Paper APPM Limited)
3.	Registered address	:	Rajahmundry, East Godavari District, Andhra Pradesh – 533105
4.	Website	:	www.andhraper.com
5.	E-mail id	:	aravind.matta@andhraper.com
6.	Financial Year reported	:	2019-20
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	:	Unit - 3, Corporate Office, Regional Sales Offices-6
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)	:	1269.69
3.	Total profit after taxes (INR Crore)	:	212.92
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%)	:	0.75%
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, 2020, 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, our subsidiary company does not participate in the BR Initiatives of the parent company at the moment.
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 responsible for implementation of the BR policy/policies

DIN Number	Name	Designation
07995480	Anish T. Mathew	Director (Commercial) & C.F.O.

- b. Details of the BR head

Sl. No.	Particulars	Details
1.	DIN Number (if applicable)	NA
2.	Name	Aravind Matta
3.	Designation	Company Secretary & Vice President (Corporate Affairs)
4.	Telephone number	040-68101284
5.	e-mail id	aravind.matta@andhraper.com

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

Principles as per NVG:

Principles	Description	Company's Policy
Principle 1	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability	Code of Business Conduct & Ethics and Whistleblower Policy
Principle 2	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle	Sustainability Policy & Controlled wood policy and Environment, Health and Safety Policy (EHS Policy)
Principle 3	Businesses should promote the well-being of all employees	EHS Policy
Principle 4	Businesses should respect the interests of and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized	Corporate Social Responsibility Policy (CSR Policy) and Policy on Prevention of Sexual Harassment of Women at Workplace (POSH policy)
Principle 5	Businesses should respect and promote human rights	Supplier Code of Conduct and Code of Business Conduct & Ethics
Principle 6	Businesses should respect, protect and make efforts to restore the Environment	Environment Health and Safety Policy, Sustainability Policy & Controlled wood policy
Principle 7	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner	Code of Business Conduct & Ethics
Principle 8	Businesses should support inclusive growth and equitable development	CSR Policy, Sustainability Policy & Controlled wood policy
Principle 9	Businesses should engage with and provide value to their customers and consumers in a responsible manner	Quality Policy

- 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*? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	Y	Y

Sl. No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
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.andhraper.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								
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y								
10.	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	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	NA								
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									
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 shall be 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, starting from financial year 2019-20, we will publish the Business Responsibility Report along with our Annual Report once in a year. The hyperlink is <http://www.andhraper.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.

- 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.
- 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
0	0	0

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.

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?

The Company considers that improving production efficiency supports its objective of enhancing Customer Value Proposition and also reduces the environmental impacts.

Energy: Reduced from 33.01 GJ/ton of products in FY 2018-19 to 29.92 GJ/ton of Product in FY 2019-20.

Water: Reduced from 47.17 KL/ton of product in FY 2018-19 to 45.42 KL/ton of Product in the FY 2019-20.

Raw Material: Wood per ton of Bleached Pulp: Reduced from 4.37 ton per ton of bleached pulp to 4.35 ton per ton of Bleached pulp.

- 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.

Prior to on-boarding, every vendor 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, among other things. In addition to this, all suppliers of

Andhra Paper Limited (APL), with the exception of (1) Govt. entities and (2) Agricultural Marketing Committees of State government sign SCOC.

Andhra Paper Limited (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 2019-20, APL procured 43% certified virgin fiber (FSC 100%) and balance was FSC controlled material.

We use waste paper (Recovered Fiber) to produce writing and printing paper at KDM mill. Here, APL used ~38% FSC Controlled material and ~14% of FSC RM (Reclaimed Material) during FY 2019-20.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

- a. If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

Yes, from 2019-20, we are making conscious efforts to develop local producers, who are placed within 200 km of our mills for our 'B' and 'C' class MRO (Maintenance, Repair and Overhaul) purchases. The company is also actively engaging local service providers for work force supplies.

APL has procured 37% of virgin fiber within 150 km from mill during 2019-20 and has taken several initiatives to promote afro-forestry plantations among nearby communities. It is targeting for procuring 51% of virgin fiber requirement from within 150 km radius by 2026.

Further, APL is promoting virgin fiber plantation activities in its catchment area by providing high quality planting material (saplings) at subsidized rates to the farmers. APL has established a Clonal Propagation Centre (CPC) and also tied up with local farmers for growing saplings within 150 km radius. This has enabled transfer of technology to the farmers and capacity building of the farming communities within the mill's target / catchment area.

The company had partnered with 10 CPC (Clonal Propagation Centre) for production and distribution of clonal saplings to farmers during 2019-20, against which company provided subsidy to these partners CPC. The company distributed 41.5 lacs of clones to the farmers in the catchment area, within 150 KM from the mill. The company forestry team is providing technical support to the farmers for pre-planting and post-planting activities. The services being provided to farmers are helping them get equipped with pre-planting and post-planting techniques. The collaboration and support provided to these partners CPCs has enabled transfer of technology to these CPCs on quality clone production.

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 /un-finished 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 non-conforming products. Bark and chip dust generated in wood processing operations is used in AFBC Boiler and PG Plant. ETP sludge generated is used as a fuel in the AFBC boiler for steam generation. Paper machines and Finishing & Converting sections generate wastage of unfinished paper & broke between 5% to 10%, which is re-pulped /recycled again at Stock Preparation area and sent to paper machines for paper making.

Further, the Fly Ash of 57515 Tons generated during 2019-20 is disposed off to brick manufacturers for their beneficial use. It is in line with compliance with regulatory norms.

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.)	:	5205
2.	Please indicate the Total number of employees hired on temporary/ contractual/casual basis (approx.)	:	2100
3.	Please indicate the Number of permanent women employees.	:	47
4.	Please indicate the Number of permanent employees with disabilities	:	9
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

7. 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.

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?
- Permanent Employees: ~ 96%
 - Permanent Women Employees: ~52%
 - Casual/Temporary/Contractual Employees ~ 70%
 - Employees with Disabilities – 100%

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.

The Company periodically conducts various workshops/trainings viz., EHS refresher training, POSH trainings, behavior trainings, near miss identification and reporting training, CSM & HIRA training, H&S Systems etc., to the employees based on identified needs. The Company provides training to workmen & staff through Internal & External Faculty for enhancing various skills.

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, Whistleblower 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.

1. 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.

2. 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.

Andhra Paper Limited at Rajahmundry and Kadiyam units are certified for ISO 14001:2015 environment management systems. This gives a system approach towards environment management.

1. Does the policy related 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 APL's Supplier Code of Conduct (SCOC) are bound to follow the principles adopted by the company.

APL 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.

APL has so far covered an area of 29,595 hectares and 9,510 FMU covered under FSC FM certification program. APL 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. Usage of biogenic and non- fossil fuel up to 53% for its total energy requirements, is an example of Company's initiatives for addressing environment challenges such as global warming. The company's consistent focus on reduction of water consumption has resulted in achieving specific water consumption of 45.4 KL/ton of product in FY 2019-20 from 47.2KL/ton of product in the previous year.

The Company has a Goal Tracking mechanism to monitor & review the progress of sustainability goals month on month basis. The inputs from the monthly reviews are used to prioritize the strategy for mitigation plans to reach identified gaps.

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 therefor 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 (Environment Management System) ISO 14001:2015 The EMS helps the company to systematically engage in environment impact assessments and 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. Inclusion of Sustainability Goal to reduce GHG gas emission indicates Company's commitment for working towards Cleaner Development Mechanism. 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
- Use of biofuels in boiler partially in place of coal i.e. Effluent Sludge, Wood Bark (15000 Tons in 2019-20) Producer gas plant ash, wood chip dust (14000 Ton in 2010-20) & 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.
- Chemical recovery process i.e. uses of recovery boiler furnace smelt (green liquor) to produce / recover for Whiter Liquor, Weak white Liquor and CaO (Calcium Oxide) which are being reused as input raw materials for pulp manufacturing process.

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:

- Production of producer gas (CO) from Wood Chip dust, to use as fuel in Rotary Lime Kiln to reduce furnace Oil consumption. i.e. Energy from waste.
- Use of ETP sludge in multi-fuel AFBC Boiler
- Sludge drier commissioned reduce moisture content of ETP sludge from 65% to 15% there by maximize utilization in Boiler partly in place of coal.
- At around 11000 Tons sludge used in boiler during 2019 -20.
- VFDs are installed at various key locations in manufacturing process to save electricity, based on evaluation study.

- Use of Fine Bar technology for pulp refining used in central refining plant for saving energy.
- Shifting to LED lightings in phased manner to conserve energy.

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 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.

There are no pending legal or show cause notices which received from CPCB / SPCB as on end of Financial Year for non-compliance with environmental laws & regulations.

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. Federation of Indian Chambers of Commerce & Industry
 - b. Confederation of Indian Industry
 - c. The Federation of Telangana and Andhra Pradesh Chambers of Commerce and Industry
 - d. Indian Paper Manufactures Association
 - e. Federation of Indian Export Organizations
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?

Impact Assessment has been done quantitatively for all projects. The projects are monitored to ensure that their completion impacts to cover the need gap that has been

assessed. For Education related projects the qualitative assessment is also done to study the extent of success of delivery.

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.157 lakhs during the financial year 2019-20. Full details of the projects can be visited at the CSR Annual Report of the Company, forming part of this Annual Report.

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 5 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?

The percentage of pending complaints that were pending as on the end of financial year – 20.6%.

At APL, we use SFDC - salesforce.com platform, monitored by CTS (Customer Technical Services), through which all customer complaints are addressed. All concerned Employees and Wholesale Distributors (WDs) have access to SFDC to lodge the 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.

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 labeling 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.

The feedback score for last three years is as under:

2017		2018		2019	
H1	H2	H1	H2	H1	H2
4.5	4.0	4.0	4.2	4.0	3.9

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 for a company with 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, 2020, the Board comprised nine members, consisting of one Chairman & Managing Director, two non-executive non-independent directors, five non-executive independent directors including one woman director and one Executive Director (whole time). Independent Directors constitute 56% of the Board's strength – more than the requirements of the Companies Act, 2013 and the Listing Regulations.

An independent director is the Chairman of each of the Board committees viz., audit committee, nomination and remuneration committee, stakeholders relationship committee and corporate social responsibility (CSR) 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, 2020 are as follows:

Name of Director	Indian-listed companies	Category of Directorship	All companies around India ⁽¹⁾⁽³⁾	Committee membership ⁽²⁾⁽³⁾	Committee Chairman ⁽²⁾⁽³⁾
Executive Directors:					
Mr. Shree Kumar Bangur	Jayshree Chemicals Limited	Executive - Non-Independent Director	11	2	1
	West Coast Paper Mills Limited	Promoter- Chairman & Non-Executive Director			
	Andhra Paper Limited	Executive - Promoter – Chairman & Managing Director			
Mr. Anish T. Mathew	Andhra Paper Limited	Whole-time Director	2	-	-
Non-Executive Non-Independent Directors:					
Mr. Rajendra Jain	West Coast Paper Mills Limited	Executive Director	2	3	-
	Andhra Paper Limited	Non-Executive - Non-Independent Director			
Mr. Virendraa Bangur	West Coast Paper Mills Limited	Executive Director	13	2	
	Jayshree Chemicals Limited	Managing Director			
	Taparia Tools Limited	Non-Executive Director			
	Andhra Paper Limited	Non Executive - Non-Independent Director			

Name of Director	Indian-listed companies	Category of Directorship	All companies around India ⁽¹⁾⁽³⁾	Committee membership ⁽²⁾⁽³⁾	Committee Chairman ⁽²⁾⁽³⁾
Non-Executive Independent Directors:					
Mr. Adhiraj Sarin	Tinna Trade Limited	Non-Executive Director	3	2	-
	Andhra Paper Limited	Independent Director			
Mr. Praveen P. Kadle	Andhra Paper Limited	Independent Director	9	1	3
Mr. Sudarshan V. Somani	West Coast Paper Mills Limited	Non-Executive Director Independent	6	2	2
	Stardeck Finance Limited	Non-Executive Director Independent			
	Andhra Paper Limited	Independent Director			
Mr. Arun Kumar Sureka	Andhra Paper Limited	Independent Director	12	1	-
Ms Veni Mocherla	Andhra Paper Limited	Independent Director	3	-	-
	NACL Industries Limited	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 1, 2019	Attendance Particulars		
		Held during the tenure	Attended	% of attendance
Mr. Donald P. Devlin (Chairman & Managing Director) ¹	Yes	4	4	100.00
Mr. Shree Kumar Bangur (Chairman & Managing Director) ³	N.A	1	1	100.00
Mr. W. Michael Amick Jr. ¹	Yes	4	4	100.00
Mr. Russell V. Harris ¹	No	4	1	25.00
Ms. Megan A. F. Bula ¹	No	4	1	25.00
Mr. Rajendra Jain ³	N.A	1	-	0.00
Mr. Virendraa Bangur ⁴	N.A	1	1	100.00
Mr. M. S. Ramachandran ¹	Yes	4	4	100.00
Mr. Milind Sarwate ²	Yes	4	4	100.00
Mr. Adhiraj Sarin	No	5	3	60.00
Mr. Praveen P. Kadle	Yes	5	4	80.00
Mr. Sudarshan V. Somani ³	N.A	1	1	100.00
Mr. Arun Kumar Sureka ³	N.A	1	1	100.00
Ms. Veni Mocherla ⁴	N.A	1	1	100.00
Mr. Anish T. Mathew ³	N.A	1	1	100.00

¹ Resigned with effect from the closure of Board Meeting dated October 30, 2019 due to change in the Management

² Resigned with effect from the closure of Board Meeting dated 30.10.2019 for re-organization of the portfolio of his Board Memberships across various companies

³ Appointed as an Additional Director with effect from the closure of Board Meeting dated 30.10.2019

⁴ Appointed as an Additional Director with effect from 30.12.2019

- c. No. of meetings of the Board of Directors held and dates on which held
- During the financial year, five meetings of Board of Directors were held on May 2, 2019; May 29, 2019; August 1, 2019; October 30, 2019 and January 28, 2020.
- d. Mr. Virendraa Bangur is related to Mr. Shree Kumar Bangur (father) and other directors are unrelated to each other except as members of the Board.
- e. None of the Non-Executive Directors and Independent Directors hold equity shares and convertible instruments of the Company.
- f. The details of Familiarization Programme are placed on the Company's website viz., www.andrapaper.com.
- 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 is given in Appendix – 1.
- 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.
- i. Mr. M.S. Ramachandran, Independent Director resigned with effect from the closure of Board Meeting dated October 30, 2019 due to change in the Management. Mr. Milind Sarwate, Independent Director resigned with effect from closure of Board Meeting dated October 30, 2019 due to re-organisation of his portfolio of board memberships across various companies. There were no other material reasons other than those provided above for the resignation of aforesaid Independent Directors, as confirmed by the said Independent Directors.

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;
 - iii. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
 - iv. Reviewing with the management of the annual financial statements before submission to the Board, with particular reference to the following:
 - 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;
 - v. Reviewing with the management quarterly financial statements before submission to the Board for approval.
 - vi. Review the functioning of the whistle blower mechanism.
 - vii. Evaluation of internal financial controls and risk management systems.

b. Composition of Audit Committee

As at April 1, 2019, the Audit Committee comprised of four Members viz. Mr. Praveen P. Kadle as Chairman, Mr. Milind Sarwate, Mr. Adhiraj Sarin, and Mr. W. Michael Amick Jr. as Members.

The following changes took place in the composition of the Audit Committee during the year:

Mr. Milind Sarwate and Mr. W Michael Amick Jr. ceased to be Members of the Audit Committee consequent upon their resignation as Directors from the Board with effect from closure of Board Meeting dated October 30, 2019.

The Board reconstituted the Audit Committee by appointing Mr. Praveen P. Kadle as Chairman, Mr. Adhiraj Sarin and Mr. Arun Kumar Sureka as Members with effect from November 21, 2019.

The Board once again reconstituted the Audit Committee by appointing Mr. Shree Kumar Bangur as Member with effect from February 17, 2020 and the composition of Audit Committee as on March 31, 2020 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. Shree Kumar 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 2, 2019; July 31, 2019; October 30, 2019 and January 28, 2020.

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	3
Mr. Milind Sarwate	3	3
Mr. W Michael Amick Jr.	3	3
Mr. Adhiraj Sarin	4	3
Mr. Arun Kumar Sureka	1	1
Mr. Shree Kumar Bangur	-	-

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;
- 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;
- Identifying persons who may be appointed in Senior Management and to recommend to Board their appointment and removal;
- Devise a policy on Board diversity;
- Succession Planning;
- Recommend to the Board, all remuneration, in whatever form, payable to senior management.

b. Composition of Nomination and Remuneration Committee

As at April 1, 2019, the Nomination and Remuneration Committee comprised of four Members viz. Mr. Adhiraj Sarin as Chairman, Mr. M.S. Ramachandran; Mr. W. Michael Amick Jr. and Mr. Donald P. Devlin as Members.

The following changes took place in the composition of the Nomination and Remuneration Committee during the year:

Mr. M.S. Ramachandran, Mr. W. Michael Amick Jr. and Mr. Donald P. Devlin ceased to be members of the Nomination and Remuneration Committee consequent upon their resignation as Directors from the Board with effect from closure of Board Meeting dated October 30, 2019.

The Board reconstituted the Nomination and Remuneration Committee by appointing Mr. Arun Kumar Sureka as Chairman, Mr. Sudarshan V. Somani and Mr. Shree Kumar Bangur as Members with effect from November 21, 2019.

The Board again reconstituted the Nomination and Remuneration Committee by appointing Mr. Adhiraj Sarin as a Member with effect from January 28, 2020 in place of Mr. Sudarshan V. Somani.

The Board once again reconstituted the Nomination and Remuneration Committee by appointing Mr. Virendraa Bangur as a Member with effect from February 17, 2020 and the Nomination and Remuneration Committee as on March 31, 2020 is as follows:

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

The Company Secretary acts as the Secretary to the Committee.

c. Meetings and attendance during the year:

During the financial year, two Meetings of Nomination and Remuneration Committee were held on October 30, 2019 and January 28, 2020.

Name	Number of Meetings held during the tenure	Number of Meetings attended
Mr. Adhiraj Sarin	1	1
Mr. Donald P. Devlin	1	1
Mr. W. Michael Amick Jr.	1	1
Mr. M.S. Ramachandran	1	1
Mr. Arun Kumar Sureka	1	1
Mr. Sudarshan V. Somani	1	1
Mr. Shree Kumar Bangur	1	1
Mr. Virendraa Bangur	-	-

d. Performance evaluation criteria for independent directors

The Board of Directors evaluates the performance of Independent Directors on yearly basis in terms of provisions of Code of Independent Directors.

5. Remuneration of Directors

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

The details of sitting fees and commission (relating to financial year 2018-19) paid to the Non-Executive Directors (Independent Directors and Non-Executive, Non-Independent Directors) during the financial year ended March 31, 2020 were as follows:

(In ₹ Lakhs)

Name	Sitting Fees	Commission*	Total
Mr. M.S. Ramachandran ⁽¹⁾	5.50	63.318	68.818
Mr. Adhiraj Sarin	7.50	63.318	70.818
Mr. Milind Sarwate ⁽¹⁾	7.75	63.318	71.068
Mr. Praveen P. Kadle	7.75	63.318	71.068
Ms. Ranjana Kumar ⁽²⁾	N.A	63.318	63.318
Mr. Rajendra Jain ⁽³⁾	1.50	N.A	1.50
Mr. Sudarshan V. Somani ⁽³⁾	3.25	N.A	3.25
Mr. Arun Kumar Sureka ⁽³⁾	2.50	N.A	2.50
Mr. Virendraa Bangur ⁽⁴⁾	1.00	N.A	1.00
Ms. Veni Mocherla ⁽⁴⁾	1.00	N.A	1.00
TOTAL	37.75	316.59	354.34

*Excluding applicable taxes

- (1) Resigned with effect from October 30, 2019
- (2) Ceased with effect from March 31, 2019
- (3) Appointed with effect from October 30, 2019
- (4) Appointed with effect from December 30, 2019

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 July 22, 2014 approved to pay Independent Directors a sitting fees of ₹ 1,00,000 per meeting for attending the Board Meeting and ₹ 75,000 per meeting for attending the Meetings of Committees of Board with effect from July 1, 2014.

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 ₹ 1,00,000 per meeting for attending the Board Meeting and ₹ 75,000 per meeting for attending the Meetings of Committees of Board with effect from January 28, 2020.

The Shareholders at the 51st Annual General Meeting held on August 27, 2015 approved to pay, for a period of five years, commission to Independent Directors at a rate not exceeding one percent of net profits of the Company calculated as per Section 198 of the Companies Act, 2013, as may be decided by the Board from time to time.

c. Disclosure with respect to remuneration

Sitting fees was paid to Non-Executive Directors for attending the Board/Committee Meetings held during the financial year 2019-20. One per cent Commission calculated on the net profits relating to financial year 2018-19 was equally paid to five Independent Directors who were on the Board as on March 31, 2019.

The Executive Directors were appointed for three years and their service is terminable by giving three month’s notice on either side. No severance fees will paid to Directors.

The details of remuneration paid to Executive Directors for the financial year 2019-20 are provided in the extract of Annual Return, Annexure 6 to Directors’ Report and the same is also available on our website of the Company.

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

6. Stakeholders Relationship Committee

As at April 1, 2019, Stakeholders Relationship Committee comprised of three members viz. Mr. Praveen P. Kadle as Chairman; Mr. Donald P. Devlin and Ms Megan A.F. Bula as Members.

The following changes took place in the composition of the Stakeholders Relationship Committee during the year:

Mr. Donald P. Devlin and Ms Megan A.F. Bula ceased to be Members of Stakeholders Relationship Committee consequent upon their resignation as Directors from the Board with effect from closure of Board Meeting dated October 30, 2019.

The Board reconstituted the Stakeholders Relationship Committee by appointing Mr. Sudarshan V. Somani as Chairman, Mr. Shree Kumar Bangur and Mr. Rajendra Jain as Members with effect from November 21, 2019.

The Board further reconstituted the Stakeholders Relationship Committee by appointing Mr. Virendraa Bangur as a Member in place of Mr. Shree Kumar Bangur with effect from February 17, 2020 and the Composition of Stakeholders Relationship Committee as on March 31, 2020 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 February 12, 2020. All the three Members attended the meeting viz., Mr. Sudarshan V. Somani, Mr. Shree Kumar Bangur and Mr. Rajendra Jain.

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) (Effective August 1, 2020)

The details of the status of complaints received from the shareholders during the financial year ended March 31, 2020 are furnished below:

No. of shareholders’ complaints received during the financial year	5
No. of complaints solved to the satisfaction of shareholders	4
No. of complaints not solved to the satisfaction of shareholder	1
No. of pending complaints as on March 31, 2020	1

7. General Body Meetings

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

Year ended	Date and time	Venue
March, 2017	July 25, 2017 at 12.00 Noon	Cherukuri Subbarao Gannemma Udyana Kalyanavedika, Jawaharlal Nehru Road, Rajahmundry - 533 103
March, 2018	August 2, 2018 at 12.30 P.M.	Cherukuri Veerraju Subbalakshmi Convention Center, Jawaharlal Nehru Road, Rajahmundry - 533 103
March, 2019	August 1, 2019 at 12.30 P.M.	Cherukuri Veerraju Subbalakshmi Convention Center, Jawaharlal Nehru Road, Rajahmundry - 533 103

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

Date	Description of Special Resolutions passed
July 25, 2017	<ol style="list-style-type: none"> 1. Re-appointment of Mr. Rampraveen Swaminathan as Chairman & Managing Director for the period from March 1, 2017 to April 27, 2017. 2. Appointment of Mr. Donald P. Devlin as a Director with effect from February 22, 2017 and Chairman & Managing Director with effect from April 28, 2017
August 2, 2018	NIL
August 1, 2019	<ol style="list-style-type: none"> 1. 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. 2. 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. 3. 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. 4. 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.

- c. During the year, one Special Resolution was passed through postal ballot on December 30, 2019 regarding Change of name of the Company from "International Paper APPM Limited" to "Andhra Paper Limited" and consequent amendments to Memorandum of Association and Articles of Association and other documents of the Company.

Date of Postal Ballot Notice : November 22, 2019

Voting Period : November 29, 2019 to December 28, 2019

Date of Approval : December 30, 2019

Date of declaration of results : December 30, 2019

Name of the Resolution	Type of Resolution	No. of votes polled	Votes cast In favour		Votes cast against	
			No. of Votes	%	No. of Votes	%
Change of name of the Company from "International Paper APPM Limited" to "Andhra Paper Limited" and consequent amendments to Memorandum of Association and Articles of Association and other documents of the Company	Special	3,66,91,639	3,66,81,534	99.97	10,105	0.03

M/s. D. Hanumanta Raju & Co. Company Secretaries, B-13, F-1 & F-2, P.S. Nagar, Vijayanagar Colony, Hyderabad – 500 057, was appointed as the Scrutinizer for carrying out the above postal ballot in a fair and transparent manner.

- d. 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.

8. Means of Communications

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

Official news releases are being displayed on the website of the Company. Presentations are proposed to be made to media, analysts, institutional investors etc.

9. General Shareholder Information

a. Date, Time and Venue of Annual General Meeting

56th Annual General Meeting	Date & time	Venue
	Monday, September 21, 2020 at 11.00 A.M. (IST)	Not Applicable

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

Financial year: April 1, 2020 to March 31, 2021

Particulars	Period ended	On or before
Unaudited Financial Results for the quarter ending	June 30, 2020	August 14, 2020
Unaudited Financial Results for the quarter ending	September 30, 2020	November 14, 2020
Unaudited Financial Results for the quarter ending	December 31, 2020	February 14, 2021
Audited Financial Results for the year ending	March 31, 2021	May 30, 2021
Annual General Meeting for the year ending	March 31, 2021	September 30, 2021
Details of book closure Date of payment of dividend on equity shares	Not Applicable	

c. Listing on stock exchanges

BSE Limited (BSE) Phiroze Jeejeebhoy 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 2020-21 to BSE and NSE on May 14, 2020.

d. Stock Code

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

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

a. BSE

Month	Share Price ₹		BSE Sensex		
	High	Low	High	Low	
2019	April	486.00	438.00	39,487.45	38,460.25
	May	464.00	382.80	40,124.96	36,956.10
	June	430.45	418.80	40,312.07	38,870.96
	July	436.55	426.00	40,032.41	37,128.26
	August	443.80	431.20	37,807.55	36,102.35
	September	451.50	362.10	39,441.12	35,987.80
	October	372.55	301.00	40,392.22	37,415.83
	November	335.00	282.80	41,163.79	40,014.23
	December	303.90	271.20	41,809.96	40,135.37
2020	January	333.00	285.00	42,273.87	40,476.55
	February	294.00	250.00	41,709.30	38,219.97
	March	268.00	115.00	39,083.17	25,638.90

b. NSE

Month	Share Price ₹		NIFTY 50		
	High	Low	High	Low	
2019	April	487.70	437.35	11,856.15	11,549.10
	May	463.70	380.00	12,041.15	11,108.30
	June	431.50	418.20	12,103.05	11,625.10
	July	437.60	425.35	11,981.75	10,999.40
	August	444.35	430.45	11,181.45	10,637.15
	September	451.40	361.15	11,694.85	10,670.25
	October	384.75	301.35	11,945.00	11,090.15
	November	324.40	282.45	12,158.80	11,802.65
	December	305.00	272.00	12,293.90	11,832.30
2020	January	333.30	285.00	12,430.50	11,929.60
	February	300.90	243.10	12,246.70	11,175.05
	March	268.00	112.00	11,433.00	7,511.10

g. Performance of share price of the Company in comparison to BSE SENSEX and NSE NIFTY



h. The securities of the Company have not been suspended from trading during the financial year ended March 31, 2020.

i. Registrar and Share Transfer Agent

KFin Technologies Private Limited
 (Formerly known as Karvy Fintech Private Limited
 and earlier as Karvy Computershare Private Limited)
 Corporate Registry
 Karvy Selenium, Tower- B, Plot No 31 & 32, Gachibowli,
 Financial District, Nanakramguda, Serilingampally Mandal
 Hyderabad – 500 032
 Toll Free No. (India) 1800 3454001
 Phone: +91 40 6716 1606/1770
 Fax : +91 40 2342 0814
 Email : einward.ris@kfintech.com
 Contact Person: Mr. Praveen Chaturvedi – General Manager

j. Share Transfer System

Pursuant to Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Fourth Amendment) Regulations, 2018, securities cannot be transferred unless they are held in dematerialized form with a depository after April 1, 2019 except in case of transmission or transposition of securities.

The share transmission/deletion of name/name change etc., in physical mode are being approved by the authorized person as per the delegation of powers by the Board in every 10 days. The average time taken for registering the share transmission/deletion of name/name change is approximately 10 days from the date of receipt of valid request.

k. Distribution of Equity Shareholding as on March 31, 2020

Nominal Value of Equity shares ₹	Shareholders		Value	
	Number	%	₹	%
1 - 5000	11,886	93.30	1,00,31,290	2.52
5001 - 10000	473	3.71	35,53,810	0.89
10001 - 20000	211	1.66	30,07,620	0.76
20001 - 30000	74	0.58	18,71,260	0.47
30001 - 40000	30	0.24	10,46,750	0.26
40001 - 50000	13	0.10	5,93,590	0.15
50001 - 100000	25	0.20	17,62,840	0.44
100001 and above	27	0.21	37,58,33,230	94.51
TOTAL	12,739	100.00	39,77,00,390	100.00

Category of equity shareholders as on March 31, 2020

Category	No. of shares held	%
A. Promoter shareholdings:		
1. Indian Promoter	2,87,13,400	72.20
2. Foreign Promoter	79,54,008	20.00
Total Promoter shareholding	3,66,67,408	92.20
B. Public shareholdings		
1. Institutional Investors		
a. Mutual funds, Foreign Portfolio Investors, Financial Institutions/ Banks, insurance companies	3,08,350	0.78
b. Foreign Banks	150	0.00
Sub-total (1)	3,08,500	0.78

Category	No. of shares held	%
2. Non-Institutions		
a. Indian public	23,09,714	5.81
b. Bodies corporate	2,87,488	0.72
c. Non-Resident Indians	58,665	0.15
d. Clearing members	17,585	0.04
e. Trusts	13,981	0.04
f. IEPF	1,06,672	0.27
g. Unclaimed Suspense Account	26	0.00
Sub-total (2)	27,94,131	7.03
Total public shareholding (1+2)	31,02,631	7.80
Total (A+B)	3,97,70,039	100.00

I. Dematerialization of shares as on March 31, 2020

Depository name	No. of shares dematerialized	Percentage on equity share capital
National Securities Depository Limited	3,86,96,647	97.30
Central Depository Services (India) Limited	8,86,967	2.23
Total dematerialized shares	3,95,83,614	99.53

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

n. Commodity price risk or foreign exchange risk and hedging activities: Furnished under the head 'Management of Risks' in page no.26.

o. 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

p. Address for Correspondence from shareholders

KFin Technologies Private Limited Karvy 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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q. E-mail IDs for investor grievance redressal :

1. Nagendrarao.Mittapalli@andhrapaper.com
2. Ashok.Yaramaneni@andhrapaper.com

r. 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) from CARE.

10. 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.andhrapaper.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.andhraper.com

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

The Company has complied with all mandatory requirements specified in regulation 17 to 27 and clauses of (b) to (i) of Regulation 46 (2) of the 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. Reporting of Internal Auditor:** External consultancy firm was appointed as Internal Auditor of the Company which has direct access to the Audit Committee.
- e. There were no material subsidiaries during the year.
- f. The policy on Related Party Transactions is placed on the Company's website at www.andhraper.com
- g. No funds were raised through preferential allotment or qualified institutions placements during the year.
- h. A Certificate dated May 22, 2020 from M/s. D. Hanumanta Raju & Co., Company Secretaries, a company secretary in practice confirming that none of the Directors of 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.
- i. None of recommendations of any Committee of the Board which are mandatorily required was rejected by the Board during the year.

j. (Rs. in lakhs)

	2019-20	2018-19
Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.	86.50	78.70

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

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

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.

12. 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.andhraper.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.

13. 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 Disclosures Requirements) Regulations, 2015 was placed before the Board and the same was taken on record.

14. 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 "International Paper APPM Limited – Unclaimed Shares Demat Suspense Account" as on March 31, 2020 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, 2020	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 judgement	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 Judgement.
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
Anish T. Mathew	Director (Commercial) & Chief Financial Officer	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
Ms. Veni Mocherla	Independent Director	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, 2020.

Hyderabad
May 29, 2020


Shree Kumar Bangur
Chairman & Managing Director

Certificate on Corporate Governance

To
The Members of
Andhra Paper Limited
(Formerly Known as International Paper APPM Limited)

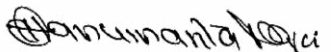
We have examined the compliance of conditions of Corporate Governance by **Andhra Paper Limited (Formerly Known as International Paper APPM Limited)** (*"the Company"*), for the year ended on March 31, 2020, as stipulated in Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations 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.

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



**CS D. HANUMANTA RAJU
PARTNER**

**FCS: 4044, CP NO: 1709
UDIN:F004044B000269155**

**Place: Hyderabad
Date: 22.05.2020**

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
(Formerly Known as International Paper APPM Limited)
Rajahmundry – 533 105,
East Godavari District,
Andhra Pradesh.

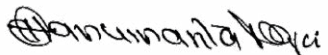
We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Andhra Paper Limited (Formerly Known as International Paper APPM Limited)** having CIN: L21010AP1964PLC001008 and having registered office at Rajahmundry, East Godavari District, Andhra Pradesh – 533 105 (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, 2020 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. Virendraa Bangur	00237043	30.12.2019
7.	Mr. Rajendra Jain	07250797	30.10.2019
8.	Mr. Anish Mathew Thottupurathu	07995480	30.10.2019
9.	Ms. Veni Mocherla	08082163	30.12.2019

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:F004044B000269133**

**Place: Hyderabad
Date: 22.05.2020**

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANDHRA PAPER LIMITED

(formerly known as International Paper APPM Limited)

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Andhra Paper Limited (formerly known as International Paper APPM Limited) ("the Company"), which comprise the Balance Sheet as at March 31, 2020, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows 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, 2020, 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 48 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 judgement, 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.

Sr. No.	Key Audit Matter	Auditor's Response
1	<p>Provisions and Contingent Liabilities (including income tax) Refer Note 2C (e), 20, 21 & 31A, in the financial statements for the related disclosures.</p> <p>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.</p> <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>	<p>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.</p> <p>Our audit procedures related to material provisions recognised and contingent liabilities disclosed in the financial statements included:</p> <ul style="list-style-type: none"> • Assessment of the recognition criteria for the liability; • 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 direct confirmations from the third party legal counsel of the Company representing the litigation matters of the Company at applicable forums. • We reviewed the minutes of the Board meetings including other committees to evaluate the processes and controls over obligations operated by management. • 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 disclosure of the 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 we do 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 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 Shareholders' 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 judgements 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 statement 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 judgement 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.

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.

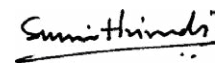
Report on Other Legal and Regulatory Requirements

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 relevant 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, 2020 taken

on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 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.
2. As required by the Companies (Auditor's Report) Order, 2016 ("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

Hyderabad
May 29, 2020

(Membership No. 209354)
UDIN: 20209354AAAAFT6324

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 (formerly known as International Paper APPM Limited) (“the Company”) as of March 31, 2020 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.

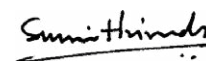
Opinion

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, 2020, 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

Hyderabad

May 29, 2020

(Membership No. 209354)

UDIN: 20209354AAAAFT6324

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)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of the fixed assets.
- (b) The Company has a program of verification of fixed assets 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 fixed assets were physically verified by the Management during the year. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and the records examined by us and 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 of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- (ii) As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and no material discrepancies were noticed on physical verification.
- (iii) The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013.
- (iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013 in respect of grant of loans / Inter-Corporate deposits. The Company has not made investments, provided guarantees and securities.
- (v) According to the information and explanations given to us, the Company has not accepted any deposit during the year. In respect of unclaimed deposits, the Company has complied with the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (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 cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under sub-section (1) of the Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. 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) The Company has been regular in depositing undisputed statutory dues, including Provident Fund, Employees’ State Insurance, Income-tax, Sales Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it with the appropriate authorities.
- (b) There were no undisputed amounts payable in respect of 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, 2020 for a period of more than six months from the date they became payable.
- (c) Details of dues of Income-tax, Sales Tax, Service Tax, Custom Duty, Excise Duty and Value Added Tax which have not been deposited as on March 31, 2020 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
		Income Tax Appellate Tribunal, Hyderabad	2001-02	14.26	14.26
	2008-09		40.08	40.08	
	Interest	High Court of Andhra Pradesh	1979-80	24.96	24.96
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

Name of Statute	Nature of Dues	Forum where Dispute is pending	Period to which the amount relates	Amount Involved (₹ lakhs)	Amount Unpaid (₹ lakhs)
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
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	117.08
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
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, Bangalore	2001 to 2012	1,538.33	1,538.33
			2005-06 to 2008-09	1,302.65	1,302.65
			Commissioner of Central Excise (Appeals), Visakhapatnam	2006	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

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks and government. The Company has not issued any debentures and does not have any borrowings from the financial institutions.
- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause (ix) of the Order is not applicable.
- (x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- (xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us 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) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding or subsidiary company or persons connected with him and hence provisions of Section 192 of the Companies Act, 2013 are not applicable. The Company does not have an associate company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Sumit Trivedi
Sumit Trivedi

Hyderabad
May 29, 2020

Partner
(Membership No. 209354)
UDIN: 20209354AAAAFT6324

BALANCE SHEET

as at March 31, 2020

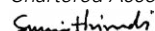
(₹ in lakhs)

PARTICULARS	Note	As at March 31, 2020	As at March 31, 2019
A ASSETS			
Non-current assets:			
(a) Property, plant and equipment	3	66,143.76	70,501.96
(b) Capital work-in-progress	3	159.50	843.37
(c) Right-of-use assets	4	1,606.97	-
(d) Intangible assets	4a	288.53	242.95
(e) Financial assets			
(i) Investments	5	1,764.00	1,558.00
(ii) Loans	6	-	14.14
(iii) Other financial assets	7	940.26	964.59
(f) Non-current tax assets (net)	13	563.14	751.94
(g) Other non-current assets	8	3,507.88	3,717.98
Total non-current assets		74,974.04	78,594.93
Current assets:			
(a) Inventories	9	22,341.10	15,699.66
(b) Financial assets			
(i) Investments	5	2,664.62	-
(ii) Trade receivables	10	4,077.60	7,355.73
(iii) Cash and cash equivalents	11	1,426.35	1,465.01
(iv) Other bank balances	12	15,663.76	5,241.02
(v) Loans	6	4,118.62	2,121.19
(vi) Other financial assets	7	556.55	146.09
(c) Other current assets	8	6,083.04	7,353.51
		56,931.64	39,382.21
Assets classified as held for sale	14	208.28	632.44
Total current assets		57,139.92	40,014.65
TOTAL ASSETS		132,113.96	118,609.58
B EQUITY AND LIABILITIES			
Equity:			
(a) Equity share capital	15	3,977.00	3,977.00
(b) Other equity	16	93,608.29	72,403.61
Total equity		97,585.29	76,380.61
LIABILITIES			
Non-current liabilities:			
(a) Financial liabilities			
(i) Borrowings	17	783.49	1,254.08
(ii) Other financial liabilities	19	1,595.51	478.37
(b) Provisions	20	347.90	171.66
(c) Deferred tax liabilities (net)	22	9,506.56	13,961.02
Total non-current liabilities		12,233.46	15,865.13
Current Liabilities:			
(a) Financial liabilities			
(i) Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises	18	542.53	474.40
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	18	12,398.34	16,614.19
(ii) Other financial liabilities	19	3,588.27	3,448.88
(b) Provisions	20	3,448.09	3,448.09
(c) Other current liabilities	21	2,317.98	2,378.28
Total current liabilities		22,295.21	26,363.84
Total liabilities		34,528.67	42,228.97
TOTAL EQUITY AND LIABILITIES		132,113.96	118,609.58
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



Sumit Trivedi

Partner


Saurabh Bangur
Chief Executive Officer


Anish T. Mathew
Director (Commercial) &
Chief Financial Officer

For Andhra Paper Limited
(Formerly Known as International Paper APPM Limited)


S. K. Bangur
Chairman & Managing Director


C. Prabhakar
Senior Vice President (Corporate Affairs) &
Company Secretary

Place: Hyderabad
Date: May 29, 2020

STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2020

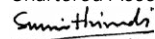
(₹ in lakhs)

PARTICULARS	Note	Year ended March 31, 2020	Year ended March 31, 2019
1 Income			
(a) Revenue from operations	23	126,969.57	142,733.32
(b) Other income	24	1,454.25	1,458.84
Total income		128,423.82	144,192.16
2 Expenses			
(a) Cost of materials consumed		43,792.33	47,972.98
(b) Changes in inventories of finished goods and work-in-progress	25	(5,952.81)	(119.50)
(c) Employee benefits expense	26	15,732.65	15,268.02
(d) Finance costs	27	532.45	854.11
(e) Depreciation and amortisation expense	28	7,589.53	6,786.64
(f) Other expenses	29	43,149.32	41,754.13
Total Expenses		104,843.47	112,516.38
3 Profit before exceptional items and tax (1 - 2)		23,580.35	31,675.78
4 Exceptional items (net) (Refer note 49)		-	(542.61)
5 Profit before tax (3 + 4)		23,580.35	31,133.17
6 Tax expense			
(a) Current tax	30	6,790.37	11,330.03
(b) Deferred tax	30	(4,502.45)	(204.52)
		2,287.92	11,125.51
7 Net profit after tax (5 - 6)		21,292.43	20,007.66
8 Other comprehensive income			
(i) Items that will not be reclassified to profit or loss:			
(a) Remeasurements of the defined benefit plans		(328.34)	(152.63)
(b) Equity instruments through other comprehensive income		206.00	93.50
		(122.34)	(59.13)
(ii) Income tax relating to items that will not be reclassified to profit or loss			
(a) Remeasurements of the defined benefit plans		82.58	53.33
(b) Equity instruments through other comprehensive income		(47.99)	(21.78)
		34.59	31.55
Total other comprehensive income / (loss)		(87.75)	(27.58)
9 Total comprehensive income (7 + 8)		21,204.68	19,980.08
Earnings per share (Face value of ₹ 10 each) Basic & Diluted - ₹	36	53.54	50.31
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



Sumit Trivedi

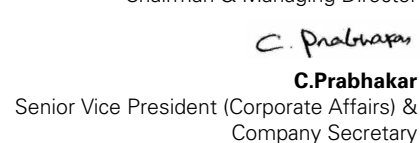
Partner


Saurabh Bangur
Chief Executive Officer


Anish T. Mathew
Director (Commercial) &
Chief Financial Officer

For Andhra Paper Limited
(Formerly Known as International Paper APPM Limited)


S. K. Bangur
Chairman & Managing Director


C. Prabhakar
Senior Vice President (Corporate Affairs) &
Company Secretary

Place: Hyderabad
Date: May 29, 2020

STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2020

(a) Equity share capital

(₹ in lakhs)

	Number of shares	Amount
Balance as at April 1, 2018	39,770,039	3,977.00
Changes in equity share capital during the year	-	-
Balance as at March 31, 2019	39,770,039	3,977.00
Changes in equity share capital during the year	-	-
Balance as at March 31, 2020	39,770,039	3,977.00

(b) Other equity

(₹ in lakhs)

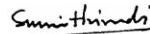
Particulars	Reserves and surplus				Items of other comprehensive income	Total
	Security premium	Capital redemption reserve	General reserve	Retained earnings	Equity instrument through other comprehensive income	
Balance as at April 1, 2018	18,211.13	598.00	28,876.29	4,798.78	(60.67)	52,423.53
Profit for the year	-	-	-	20,007.66	-	20,007.66
Transfer to retained earnings (refer Note 46)	-	-	(28,876.29)	28,876.29	-	-
Remeasurements of the defined benefit plans (net of tax)	-	-	-	(99.30)	-	(99.30)
Changes in fair value (net of tax)	-	-	-	-	71.72	71.72
Balance as at March 31, 2019	18,211.13	598.00	-	53,583.43	11.05	72,403.61
Profit for the year	-	-	-	21,292.43	-	21,292.43
Remeasurements of the defined benefit plans (net of tax)	-	-	-	(245.76)	-	(245.76)
Changes in fair value (net of tax)	-	-	-	-	158.01	158.01
Balance as at March 31, 2020	18,211.13	598.00	-	74,630.10	169.06	93,608.29

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells

Chartered Accountants




Sumit Trivedi

Partner



Saurabh Bangur
Chief Executive Officer



Anish T. Mathew
Director (Commercial) &
Chief Financial Officer

Place: Hyderabad
Date: May 29, 2020

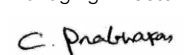
For Andhra Paper Limited

(Formerly Known as International Paper APPM Limited)



S. K. Bangur

Chairman & Managing Director



C. Prabhakar

Senior Vice President (Corporate Affairs) &
Company Secretary

CASH FLOW STATEMENT

for the year ended March 31, 2020

(₹ in lakhs)

PARTICULARS	Year ended March 31, 2020	Year ended March 31, 2019
A. Cash flow from operating activities		
Profit before tax after exceptional items	23,580.35	31,133.17
Adjustments for:		
Depreciation and amortisation expense	7,589.53	6,786.64
Loss on sale / scrap of property, plant and equipment's (net)	173.61	174.46
Profit on sale of current investments	(98.10)	-
Net gain on financial assets designated on FVTPL	(4.62)	-
Finance costs	532.45	854.11
Unwinding of discount on deferred payment liabilities	(58.09)	-
Interest income	(1,043.64)	(303.90)
Notional lease rental on embedded finance lease	-	(268.25)
Net (gain) / loss arising on financial assets measured at fair value through profit or loss	-	(2.79)
Bad trade receivables and advances written-off (net)	3.33	-
Provision/write off for doubtful trade receivables and advances	(0.13)	3.19
Liabilities / provisions no longer required written back	(4.22)	(630.34)
Exceptional items	-	542.61
Net unrealised foreign exchange (gain) / loss	(45.75)	18.36
Operating profit before working capital changes	30,624.72	38,307.26
Changes in working capital:		
<i>Adjustments for (increase) / decrease in operating assets:</i>		
Inventories	(6,641.44)	(221.77)
Trade receivables	3,306.51	(361.77)
Loans	16.71	23.49
Other assets	1,182.23	(3,947.52)
Other financial assets	11.53	(31.47)
<i>Adjustments for increase / (decrease) in operating liabilities:</i>		
Trade payables	(4,155.40)	3,973.33
Other financial liabilities	101.29	271.06
Other liabilities	(60.30)	25.21
Provisions	(152.10)	(335.86)
Cash generated from operations	24,233.75	37,701.96
Income tax paid (net of refunds)	(6,518.99)	(6,699.07)
Net cash generated by operating activities (A)	17,714.76	31,002.89
B. Cash flows from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress and other intangible assets)	(2,779.63)	(4,157.42)
Purchase of current investments	(62,981.01)	-
Proceeds from sale of current investments	60,419.11	-
Proceeds from sale of property, plant and equipment (including assets held for sale)	409.06	22.69
Inter-corporate deposits given	(5,000.00)	(3,000.00)
Inter-corporate deposits matured	3,000.00	1,000.00
Term / margin money deposits placed during the year	(23,823.35)	(5,226.67)
Term / margin money deposits matured during the year	13,400.61	48.72
Interest received	637.44	319.65
Net cash used in investing activities (B)	(16,717.77)	(10,993.03)

CASH FLOW STATEMENT (Cont.....)

for the year ended March 31, 2020

(₹ in lakhs)

PARTICULARS	Year ended March 31, 2020	Year ended March 31, 2019
C. Cash flow from financing activities		
Proceeds from short-term borrowings	2,500.00	4,000.00
Repayment of long-term borrowings (including current maturities of the same)	(225.51)	(7,672.28)
Repayment of short-term borrowings	(2,500.00)	(15,600.00)
Finance costs	(441.00)	(859.80)
Repayment of lease liability	(394.19)	-
Net cash used in financing activities (C)	(1,060.70)	(20,132.08)
Net decrease in Cash and cash equivalents (A+B+C)	(63.71)	(122.22)
Cash and cash equivalents at the beginning of the year	1,465.01	1,601.05
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies	25.05	(13.82)
Cash and cash equivalents at the end of the year (Refer note 11)	1,426.35	1,465.01

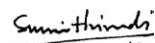
Reconciliation of Financial Liabilities - Borrowings and lease liabilities:

PARTICULARS	Year ended March 31, 2020	Year ended March 31, 2019
Opening balance	1,479.58	20,751.86
Add: Impact of Ind AS 116	2,239.74	-
Add: Lease liabilities recognised during the year	247.66	-
Add: Proceeds of borrowings	2,500.00	4,000.00
Less: (Repayments) of borrowings	(2,725.51)	(23,272.28)
Less: (Extinguishment) of lease liabilities	(305.31)	-
Less: (Repayments) of lease liabilities	(394.19)	-
Less: Fair value changes	(320.82)	-
Closing balance	2,721.15	1,479.58

See accompanying notes forming part of the financial statements

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants

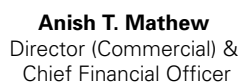


Sumit Trivedi
Partner

Place: Hyderabad
Date: May 29, 2020



Saurabh Bangur
Chief Executive Officer

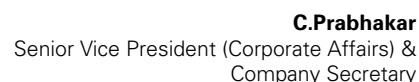


Anish T. Mathew
Director (Commercial) &
Chief Financial Officer

For Andhra Paper Limited
(Formerly Known as International Paper APPM Limited)



S. K. Bangur
Chairman & Managing Director



C. Prabhakar
Senior Vice President (Corporate Affairs) &
Company Secretary

NOTES

forming part of the financial statements

1. General information

Andhra Paper Limited (formerly known as International Paper APPM 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. Except for the changes below, the Company has consistently applied accounting policies to all periods.

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 – Leases and related interpretation and guidance. The standard sets out principles for recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value (also refer Note 35).

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connections with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. The adoption of amendment to Ind AS 12, did not have any impact on preparation of financial statements of the Company.

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. The adoption of amendment to Ind AS 19 did not have any material impact on preparation of financial statements of the Company.

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.

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 judgements 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 judgement. 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. Excise duty is included in the value of finished goods, as applicable
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 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 ₹ 15,000 and below are fully depreciated in the period of acquisition till October 31, 2019. Assets individually costing ₹ 5,000 and below are fully depreciated in the period of acquisition from November 1, 2019.

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.
- (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 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.

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.

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 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. This policy has been applied to contracts existing and entered into on or after April 1, 2019.

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 assets include Minimum Alternate Tax (MAT) paid in accordance with the tax laws in India, which gives future

economic benefits in the form of availability of set-off against future income tax liability. Accordingly, MAT is recognized as a deferred tax asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefits associated with it will be realised.

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 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

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.

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'.

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

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

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
Carrying amounts of:		
Freehold land	295.92	295.92
Buildings	8,285.90	8,657.67
Plant and equipment	56,971.80	60,836.46
Furniture and fixtures	56.07	76.45
Vehicles	78.57	74.57
Office equipment	364.64	333.49
Lease hold improvements	90.86	227.40
TOTAL - Property, plant and equipment	66,143.76	70,501.96
Capital work-in-progress (CWIP)	159.50	843.37
TOTAL - CWIP	159.50	843.37

Cost or deemed cost	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Leasehold improvements	Total
Balance as at April 1, 2018	295.92	10,006.06	74,893.62	210.94	224.37	520.58	342.86	86,494.35
Additions	-	122.73	3,177.46	8.15	-	226.99	-	3,535.33
Disposals / adjustments*	-	-	(214.19)	(1.00)	(1.18)	(5.10)	-	(221.47)
Reclassified as held for sale	-	-	-	-	(2.99)	-	-	(2.99)
Balance as at March 31, 2019	295.92	10,128.79	77,856.89	218.09	220.20	742.47	342.86	89,805.22
Additions	-	125.97	2,858.24	9.66	35.97	272.30	-	3,302.14
Reclassification to right-of-use assets	-	-	(1,080.00)	-	-	-	-	(1,080.00)
Disposals / adjustments*	-	-	(289.01)	(1.26)	-	(15.81)	(174.93)	(481.01)
Balance as at March 31, 2020	295.92	10,254.76	79,346.12	226.49	256.17	998.96	167.93	91,546.35

* Adjustments includes transfers inter-se

Accumulated depreciation	Freehold land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipment	Leasehold improvements	Total
Balance as at April 1, 2018	-	975.73	11,186.82	108.94	111.68	237.57	76.98	12,697.72
Depreciation expense	-	495.39	5,881.44	33.18	36.52	171.78	38.48	6,656.79
Eliminated on disposal of assets	-	-	(47.83)	(0.48)	(0.64)	(0.37)	-	(49.32)
Eliminated on reclassification as held for sale	-	-	-	-	(1.93)	-	-	(1.93)
Balance as at March 31, 2019	-	1,471.12	17,020.43	141.64	145.63	408.98	115.46	19,303.26
Depreciation expense	-	497.74	6,127.36	29.75	31.97	236.56	38.45	6,961.83
Reclassification to right-of-use assets	-	-	(540.00)	-	-	-	-	(540.00)
Eliminated on disposal of assets	-	-	(233.47)	(0.97)	-	(11.22)	(76.84)	(322.50)
Balance as at March 31, 2020	-	1,968.86	22,374.32	170.42	177.60	634.32	77.07	25,402.59

4a. Intangible assets

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
Carrying amounts of:		
Acquired computer software	288.53	242.95
TOTAL	288.53	242.95

Cost or deemed cost	Acquired computer software	Total
Balance as at April 1, 2018	783.61	783.61
Additions	3.44	3.44
Balance as at March 31, 2019	787.05	787.05
Additions	179.32	179.32
Balance as at March 31, 2020	966.37	966.37

Accumulated amortisation	Acquired computer software	Total
Balance as at April 1, 2018	414.25	414.25
Amortisation expense	129.85	129.85
Balance as at March 31, 2019	544.10	544.10
Amortisation expense	133.74	133.74
Balance as at March 31, 2020	677.84	677.84

4. Right-of-use assets	As at March 31, 2020	As at March 31, 2019
Carrying amounts of right-of-use assets:		
Buildings	1,227.92	-
Vehicles	19.05	-
Plant and equipment	360.00	-
TOTAL - Right-of-use assets	1,606.97	-

Cost	Buildings	Vehicles	Plant and equipment	Total
Impact of adoption of Ind AS 116 (Refer Note 35)	1,567.78	-	-	1,567.78
Additions	223.91	23.75	-	247.66
Reclassification from property plant and equipment (Refer Note 3)	-	-	1,080.00	1,080.00
Deletion	(313.43)	-	-	(313.43)
Balance as at March 31, 2020	1,478.26	23.75	1,080.00	2,582.01

Accumulated amortisation	Buildings	Vehicles	Plant and equipment	Total
Impact of adoption of Ind AS 116 (Refer Note 35)	-	-	-	-
Reclassification from property plant and equipment (Refer Note 3)	-	-	540.00	540.00
Amortisation expense	309.26	4.70	180.00	493.96
Deletion	(58.92)	-	-	(58.92)
Balance as at March 31, 2020	250.34	4.70	720.00	975.04

5. Investments

(₹ in lakhs)

	As at March 31, 2020		As at March 31, 2019	
	Number	Amount	Number	Amount
Non-current				
Trade				
Unquoted Investments (all fully paid)				
(a) Investment in subsidiary at cost				
- Andhra Paper Foundation (formerly known as IP India Foundation)	50,000	5.00	50,000	5.00
Total (A)	50,000	5.00	50,000	5.00
(b) Investments in Equity Instruments at FVTOCI:				
- Andhra Pradesh Gas Power Corporation Limited, equity shares of ₹10 each	1,340,000	1,759.00	1,340,000	1,553.00
- Somar Granites Private Limited, equity shares of ₹10 each	30,000	3.00	30,000	3.00
- Kedia Distillery Limited, equity shares of ₹ 10 each	212,800	61.71	212,800	61.71
Total (B)	1,582,800	1,823.71	1,582,800	1,617.71
Gross aggregate unquoted investments (C) = (A) + (B)		1,828.71		1,622.71
Amount of impairment in value of investments:				
- Somar Granites Private Limited, equity shares of ₹10 each		3.00		3.00
- Kedia Distillery Limited, equity shares of ₹ 10 each		61.71		61.71
Gross amount of impairment in value of investments (D)		64.71		64.71
Aggregate carrying value of unquoted non-current investments (C)-(D)		1,764.00		1,558.00

Current

Unquoted instruments at FVTPL	Number of Units	Amount	Number of Units	Amount
Axis Liquid Fund - Direct Growth	30,044.68	662.29	-	-
Axis Overnight Fund Direct Growth	37,896.58	400.00	-	-
Aditya Birla Sun life Liquid Fund - Growth-Direct Plan	156,529.80	500.21	-	-
HDFC Liquid Fund - Direct Plan - Growth Option	12,846.64	501.87	-	-
ICICI Prudential Liquid Fund - Direct Plan - Growth	68,116.46	200.11	-	-
SBI Liquid Fund Direct Growth	12,870.36	400.14	-	-
Aggregate carrying value of unquoted current investments	318,304.52	2,664.62	-	-

6. Loans

	As at March 31, 2020	As at March 31, 2019
Non-current		
Loans		
Considered good - Unsecured	-	14.14
TOTAL	-	14.14
Current		
Loans		
Considered good - Unsecured (Refer Note below)	4,118.62	2,121.19
TOTAL	4,118.62	2,121.19

Note:

Loans considered good - Unsecured includes Inter-Corporate Deposit (ICD) placed by the Company with HDFC Limited. Maximum amount outstanding during the year was ₹ 4,000 lakhs (2018-19: ₹ 3,000 lakhs) and amount outstanding as at March 31, 2020 is ₹ 4,000 lakhs (2018-19: ₹ 2,000 lakhs) at the interest rate of 6.99% (2018-19: 7.15% per Annum) per annum, which are going to mature on different dates.

7. Other financial assets

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
Non-Current		
a) Security Deposits		
- Unsecured, considered good	940.26	964.59
TOTAL	940.26	964.59
Current		
a) Security Deposits		
- Unsecured, considered good	63.98	52.35
b) Advances to employees	7.60	7.51
c) Receivable from related parties	1.08	-
d) Others		
- Interest accrued on margin money deposits with banks	22.16	4.40
- Interest accrued on fixed deposits, ICD	442.31	61.35
- Interest accrued on others	19.42	20.48
TOTAL	556.55	146.09

8. Other assets

	As at March 31, 2020	As at March 31, 2019
Non-Current		
a) Capital advances	188.80	483.94
b) Prepaid expenses	28.47	55.03
c) Balances with statutory / government authorities	3,290.61	3,179.01
TOTAL	3,507.88	3,717.98
Current		
a) Advances recoverable in cash or in kind		
Considered good	2,288.10	4,360.03
Considered doubtful	37.08	37.08
	2,325.18	4,397.11
Less: Provision for other doubtful loans and advances	37.08	37.08
	2,288.10	4,360.03
b) Prepaid expenses	165.31	221.84
c) Balances with statutory / government authorities	3,288.59	2,182.66
d) Others		
- Export benefits receivable	341.04	588.98
TOTAL	6,083.04	7,353.51

9. Inventories

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
(at lower of cost and net realisable value)		
(a) Raw materials	4,904.10	4,859.51
Add : Goods in Transit	47.67	29.97
(b) Work-in-progress	2,041.70	1,226.28
(c) Finished goods	6,412.40	1,275.01
(d) Stores and spares (includes fuel)	8,591.71	8,035.44
Add : Goods in Transit	343.52	273.45
TOTAL	22,341.10	15,699.66

Notes:

- (i) The cost of inventories recognised as an expense during the year has been disclosed on the face of the Statement of Profit and Loss.
- (ii) There are no inventories expected to be recovered after more than twelve months.

10. Trade receivables

	As at March 31, 2020	As at March 31, 2019
Trade receivables		
(a) Considered good - Secured	1,009.81	2,737.00
(b) Considered good - Unsecured	3,067.79	4,618.73
(c) Which have significant increase in Credit risk and	-	-
(d) Credit impaired	89.26	89.39
Less: Impairment loss on trade receivables	89.26	89.39
TOTAL	4,077.60	7,355.73

Notes:

- (i) The average credit period on sale is 17 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.
- (ii) 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, ₹ 2,822.19 lakhs (as at March 31, 2019: ₹ 392.29 lakhs) is due from customers who represent more than 5% of the total balance of trade receivables.
- (iii) The Company maintains an allowance of doubtful 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 doubtful 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 trade receivables

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at beginning of the year	89.39	126.10
Movement in the Impairment loss on trade receivables (Net)	(0.13)	(36.71)
Balance at end of the year	89.26	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)

	As at March 31, 2020	As at March 31, 2019
a) Cash on hand	0.80	1.06
b) Balances with Banks		
- in Current accounts	486.12	707.21
- in EEFC accounts	489.43	156.73
- in demand deposit accounts with original maturity of less than 3 months	450.00	600.01
TOTAL	1,426.35	1,465.01

12. Other bank balances

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
In other deposit accounts		
- Term deposits with original maturity of more than 3 months but less than 12 months *	15,347.00	5,000.00
In earmarked accounts:		
- Balances held as margin money or security against guarantees and other commitments	316.76	241.02
TOTAL	15,663.76	5,241.02

* Includes term deposits ₹ 13,253 lakhs of original maturity of more than 12 months.

13. Non-current tax assets (net)

	As at March 31, 2020	As at March 31, 2019
Tax assets		
Advance Tax (including TDS receivable)	19,286.07	12,716.22
Tax liabilities		
Income tax payable	18,722.93	11,964.28
TOTAL	563.14	751.94

14. Assets classified as held for sale

	As at March 31, 2020	As at March 31, 2019
Fixed assets held for sale	208.28	632.44
TOTAL	208.28	632.44

15. Equity share capital

	As at March 31, 2020	As at March 31, 2019
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, 2019: 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)

	Number of shares	Share capital (Amount)
Balance at April 01, 2018	39,770,039	3,977.00
Changes during the year	-	-
Balance at March 31, 2019	39,770,039	3,977.00
Changes during the year	-	-
Balance at March 31, 2020	39,770,039	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, 2020	As at March 31, 2019
1) International Paper Investments (Luxembourg) S.a.r.l #	7,954,008	21,856,033
2) West Coast Paper Mills Limited #	28,713,400	-

The ultimate holding company is International Paper Company, USA till October 30, 2019. The West Coast Paper Mills Limited is the holding company for Andhra Paper Limited from October 30, 2019.

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, 2020		As at March 31, 2019	
	Number of Shares	% holding of equity shares	Number of Shares	% holding of equity shares
West Coast Paper Mills Limited	28,713,400	72.20	-	-
International Paper Investments (Luxembourg) S.a.r.l	7,954,008	20.00	21,856,033	54.96
IP International Holdings Inc.	-	-	7,971,496	20.04

Pursuant to Share Purchase Agreement dated May 29, 2019 West Coast Paper Mills Ltd. (WCPM) acquired on October 29, 2019, 1,39,02,025 equity shares of ₹ 10 each from International Paper Investments (Luxembourg) S.a.r.l and 79,71,496 equity shares of ₹ 10 each from IP International Holdings Inc. aggregating 55% of the paid up share capital of the Company. In terms of Letter of Offer dated August 30, 2019 WCPM acquired on October 11, 2019, 68,39,879 equity shares of ₹ 10 each representing 17.20% of the paid up share capital of the Company from public shareholders. Following these acquisitions, the Board of Directors of the Company has been reconstituted on October 30, 2019. Consequently, the Company has become a subsidiary of WCPM.

Further, the Company obtained Central Government's approval to change its name from International Paper APPM Limited to Andhra Paper Limited with effect from January 9, 2020. The certificate of incorporation pursuant to change of name has been obtained and the required intimations have been given to the stock exchanges.

16. Other equity

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
General reserve	-	-
Securities premium	18,211.13	18,211.13
Reserve for equity instruments through other comprehensive income	169.06	11.05
Retained earnings	74,630.10	53,583.43
Capital redemption reserve	598.00	598.00
TOTAL	93,608.29	72,403.61

16.1 General reserve

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at beginning of year	-	28,876.29
Movements during the year (Refer Note 46)	-	(28,876.29)
Balance at end of year	-	-

The general reserve is used from time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by a transfer from one component of equity to another and is not an item of other comprehensive income, items included in the general reserve will not be reclassified subsequently to profit or loss.

16.2 Securities premium

Particulars	As at March 31, 2020	As at March 31, 2019
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").

16.3 Reserve for equity instruments through other comprehensive income

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at beginning of year	11.05	(60.67)
Net fair value gain on investments in equity instruments at FVTOCI	206.00	93.50
Income tax on net fair value gain on investments in equity instruments at FVTOCI	(47.99)	(21.78)
Balance at end of year	169.06	11.05

This reserve represents the cumulative gains and losses arising on the revaluation of equity instruments measured at fair value through other comprehensive income.

16.4 Retained earnings

Particulars	As at March 31, 2020	As at March 31, 2019
Balance at beginning of year	53,583.43	4,798.78
Transfer from general reserve as per Scheme of Arrangement (Refer Note 46)	-	28,876.29
Profit for the year	21,292.43	20,007.66
Remeasurement of defined benefit plan	(328.34)	(152.63)
Related income tax	82.58	53.33
Balance at end of year	74,630.10	53,583.43

Retained earnings represent the Company's undistributed earnings after taxes.

16.5 Capital redemption reserve

(₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
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. Borrowings

	As at March 31, 2020	As at March 31, 2019
Non-current		
Unsecured – at amortised cost		
Deferred payment liabilities (Refer Note below)	783.49	1,254.08
TOTAL	783.49	1,254.08

Note:

Deferred payment liabilities

Deferred payment liabilities 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 availment. These are interest free loans. An amount of ₹ 149.77 lakhs (March 31, 2019 – ₹ 225.50 lakhs) is due within next twelve months and is included under the head 'Current maturities of long-term debts' disclosed under Note 19.

18. Trade payables

	As at March 31, 2020	As at March 31, 2019
(i) total outstanding dues of micro enterprises and small enterprises (Refer Note 38)	542.53	474.40
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	12,398.34	16,614.19
TOTAL	12,940.87	17,088.59

19. Other financial liabilities

	As at March 31, 2020	As at March 31, 2019
Non-current		
- Lease liabilities	1,305.05	478.37
- Deferred Government Grant	290.46	-
TOTAL	1,595.51	478.37
Current		
a) Current maturities of long-term debt	149.77	225.50
b) Lease liabilities	482.84	212.95
c) Current maturities of deferred government grant	58.09	-
d) Interest accrued	21.15	15.53
e) Others :-		
(i) Trade / security deposits received	2,513.97	2,434.30
(ii) Payables on purchase of property, plant and equipment	78.38	359.78
(iii) Contractually reimbursable expenses	56.73	57.04
(iv) Dues to Ultimate holding company towards Performance Share Plan	-	143.78
(v) Others	227.34	-
TOTAL	3,588.27	3,448.88

20. Provisions

(₹ in lakhs)

	As at March 31, 2020	As at March 31, 2019
Non-Current		
Employee benefits: (Refer Note 32)		
- Compensated absences	54.24	28.06
- Gratuity	293.66	143.60
TOTAL	347.90	171.66
Current		
Provisions:		
For contingencies (Refer Note 39)	1,090.66	1,090.66
For others (Disputed dues) (Refer Note 48)	2,357.43	2,357.43
TOTAL	3,448.09	3,448.09

21. Other current liabilities

	As at March 31, 2020	As at March 31, 2019
a) Advances from customers	361.72	313.63
b) Other Payables		
- Statutory remittances	346.14	361.99
- Others*	1,610.12	1,702.66
TOTAL	2,317.98	2,378.28

* Others include liabilities created on account of demands received in respect of excise, property tax, water cess etc.

22. Deferred tax liabilities (net)

	As at March 31, 2020	As at March 31, 2019
Deferred tax liabilities (net)	9,506.56	13,961.02
Deferred tax liabilities (net)	9,506.56	13,961.02

2019-2020	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	MAT Credit utilization	Closing balance
Deferred tax (liabilities) /assets in relation to:					
Property, plant and equipment	(14,709.33)	4,728.60	-	-	(9,980.73)
Disallowances under Income Tax Act, 1961, allowed on payment basis	480.58	(79.42)	-	-	401.16
Long-term capital loss carried forward	22.75	-	-	-	22.75
Financial assets at FVTOCI	(3.58)	-	(47.99)	-	(51.57)
Provision for doubtful debts	44.20	(12.40)	-	-	31.80
Remeasurement of defined benefit plans	134.49	(134.49)	-	-	-
Others	69.87	0.16	-	-	70.03
Total	(13,961.02)	4,502.45	(47.99)	-	(9,506.56)

2018-2019	Opening balance	Recognised in profit or loss	Recognised in other comprehensive income	MAT Credit utilization	Closing balance
Deferred tax (liabilities) /assets in relation to:					
Property, plant and equipment	(15,024.32)	314.99	-	-	(14,709.33)
Disallowances under Income Tax Act, 1961, allowed on payment basis	574.83	(94.25)	-	-	480.58
Long-term capital loss carried forward	22.53	0.22	-	-	22.75
Financial assets at FVTOCI	18.20	-	(21.78)	-	(3.58)
Provision for doubtful debts	56.48	(12.28)	-	-	44.20
Remeasurement of defined benefit plans	81.16	-	53.33	-	134.49
Others	74.03	(4.16)	-	-	69.87
MAT Credit	4,462.78	-	-	(4,462.78)	-
Total	(9,734.31)	204.52	31.55	(4,462.78)	(13,961.02)

23. Revenue from operations

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Sale of products - (Refer Note (i) below)	125,722.00	140,950.37
(b) Other operating revenues - (Refer Note (ii) below)	1,247.57	1,782.95
TOTAL	126,969.57	142,733.32
Notes:		
(i) Sale of products comprise of sale of paper and paperboard		
(ii) Other operating revenues comprise:		
Sale of saplings	42.56	60.36
Duty draw back on exports	624.53	938.68
Incidental charges recovered from customers	43.77	87.33
Sale of scrap	536.71	696.58
TOTAL	1,247.57	1,782.95

24. Other income

	Year ended March 31, 2020	Year ended March 31, 2019
a) Interest income earned on financial assets that are not designated as fair value through profit or loss	8.54	6.51
b) Interest income	1,035.10	297.39
c) Unwinding of discount on deferred payment liabilities	58.09	-
d) Profit on sale of current investments	98.10	-
e) Net gain on financial assets designated on FVTPL	4.62	-
f) Insurance and other claims	1.08	3.03
g) Liabilities / provisions no longer required written back	4.22	630.34
h) Net gain on foreign currency transactions and translations	116.53	133.53
i) Miscellaneous Income	127.97	388.04
TOTAL	1,454.25	1,458.84

25. Changes in inventories of finished goods and work-in-progress

(₹ in lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Inventories at the beginning of the year		
- Work-in-progress	1,226.28	961.28
- Finished goods	1,275.01	1,420.51
	2,501.29	2,381.79
Inventories at the end of the year		
- Work-in-progress	2,041.70	1,226.28
- Finished goods	6,412.40	1,275.01
	8,454.10	2,501.29
Changes in Inventories	(5,952.81)	(119.50)
	(5,952.81)	(119.50)

26. Employee benefits expense

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, wages and bonus	13,596.43	12,979.17
Provident & family pension funds	588.60	529.61
Employee state insurance	9.59	61.81
Gratuity fund	220.29	195.19
Superannuation fund	21.84	23.04
Employee group insurance	242.52	233.20
Leave encashment	126.17	109.46
Staff welfare expense	844.03	739.53
Performance share plan expense (Refer Note 47)	77.85	239.72
Cost of deputed personnel	5.33	157.29
TOTAL	15,732.65	15,268.02

27. Finance costs

	Year ended March 31, 2020	Year ended March 31, 2019
Interest on bank overdrafts and loans (other than those from related parties)	6.71	349.40
Interest on loans from related parties	-	159.63
Other interest expense	227.72	278.72
Interest on lease liabilities	155.24	-
Interest cost on deferred payment liabilities	85.83	-
Bank and finance charges	56.95	66.36
TOTAL	532.45	854.11

28. Depreciation and amortisation expense

	Year ended March 31, 2020	Year ended March 31, 2019
Depreciation of property, plant and equipment (Refer Note 3)	6,961.83	6,656.79
Amortisation of right-of-use assets (Refer Note 4)	493.96	-
Amortisation of intangible assets (Refer Note 4a)	133.74	129.85
TOTAL	7,589.53	6,786.64

29. Other expenses

(₹ in lakhs)

	Year ended March 31, 2020	Year ended March 31, 2019
Consumption of stores, spares and chemicals	19,151.31	18,973.00
Power, fuel and water	9,776.88	8,827.33
Repairs and maintenance		
- Buildings	1,105.69	887.41
- Plant and machinery	2,602.41	2,026.92
- Others	570.01	352.62
Operating Service expenses	3,484.48	3,859.99
Conversion / processing charges	316.45	284.06
Forwarding, transportation and other sales expenses	1,244.18	1,319.11
Rates and taxes	213.09	329.57
Royalty	259.79	502.75
Rent	107.15	445.93
Insurance	351.29	408.11
Research and development	110.80	116.72
Legal and professional charges	1,524.37	577.39
Cost auditor's remuneration & expenses	7.75	6.46
Provision for doubtful trade receivables and advances	(0.13)	3.19
Bad trade receivables and advances written-off	3.33	-
Commission to Directors	143.89	313.63
Directors' sitting fees	41.97	44.40
Payment to auditors (Refer Note 37)	82.50	74.70
Travelling and conveyance	220.33	302.28
Corporate Social Responsibility Expenses	157.96	79.96
Loss on sale / scrap of property, plant and equipments (net)	173.61	174.46
Miscellaneous Expenses	1,500.21	1,844.14
TOTAL	43,149.32	41,754.13

30. Tax Expense

A. Amounts recognised in profit or loss

i) Income tax recognised in the Statement of profit or loss

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Current Tax	6,790.37	11,330.03
Deferred tax	(4,502.45)	(204.52)
Total income tax expense recognised	2,287.92	11,125.51

ii) Income tax recognised in other comprehensive income

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Tax related to items recognised in OCI		
Deferred tax expenses on fair value gain on investments in equity instruments through OCI	(47.99)	(21.78)
Current tax benefit on remeasurements of defined benefit plans	82.58	53.33
Income tax income recognised in OCI	34.59	31.55

B. The income tax expense for the year can be reconciled to the accounting profit as follows:

(₹ in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Profit before tax (A)	23,580.35	31,133.17
Enacted tax rate (B)	25.17%	34.94%
Expected Tax Expenses (C=A * B)	5,934.70	10,879.17
Adjustments		
Effect of change in tax rate	(3,915.38)	137.84
Prior year taxation	46.33	47.80
Effect of expenses that are not deductible in determining taxable profit	53.98	158.17
Setoff of unabsorbed depreciation of earlier years	-	(206.14)
Tax effects of other adjustments	168.29	108.67
Total Adjustments - D	(3,646.78)	246.34
Tax expense recognised in profit or loss (E=C+D)	2,287.92	11,125.51

Note:

During the quarter ended March 31, 2020, the Company elected to exercise the option permitted under section 115BAA of the Income tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company has recognised provision for Income tax for year ended March 31, 2020 and re-measured its Deferred tax liabilities (net) based on the rate prescribed in the said Ordinance. The full impact of this change relating to Deferred Tax Liabilities (net) as at March 31, 2019 amounting to ₹ 3,915.38 lakhs, has been recognised in the statement of profit and loss and other comprehensive income, during the quarter ended March 31, 2020.

31. Contingent Liabilities and Commitments**A. Contingent Liabilities (to the extent not provided for):**

Particulars	As at March 31, 2020	As at March 31, 2019
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	3,820.05	4,040.43
c. Sales tax claims disputed by the Company relating to issues of applicability, royalty and discounts	744.11	570.08
d. Electricity duty towards consumption of energy generated by captive power unit (refer Note 48)	1,571.62	1,571.62
e. Other matters (third party claims, interest on royalty, ex-employees claims etc.,)	1,985.21	2,066.05

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.

B. Commitments:

Particulars	As at March 31, 2020	As at March 31, 2019
i) Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	831.55	1,509.78

32. Employee Benefits

A. Defined contribution plans :

Provident fund:

The Company contributed ₹ 461.66 lakhs (Previous year: ₹ 415.34 lakhs) to the Provident Fund Trust maintained by the Company and ₹ 121.15 lakhs (Previous year: ₹ 112.50 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 ₹ 21.84 lakhs (Previous year: ₹ 23.04 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)

	Year ended March 31, 2020	Year ended March 31, 2019
Current service cost	215.04	181.51
Net interest expense	5.25	13.68
Components of defined benefit costs recognised in statement of profit or loss	220.29	195.19
Re-measurement on the net defined benefit liability:		
- Return on plan assets (greater)/less than discount rate	224.88	(44.01)
- Actuarial (gains) / losses arising from experience adjustments	(20.77)	154.14
- Actuarial (gains) / losses arising from changes in financial assumptions	124.23	42.50
Components of defined benefit costs recognised in other comprehensive income	328.34	152.63
Total	548.63	347.82

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:

Particulars	As at March 31, 2020	As at March 31, 2019
Present value of defined benefit obligation	3,067.43	2,767.13
Fair value of plan assets	2,773.77	2,623.53
Net liability arising from defined benefit obligation	(293.66)	(143.60)

Movements in the present value of the defined benefit obligation are as follows:

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening defined benefit obligation	2,767.13	2,498.49
Current service cost	215.04	181.51
Interest cost	198.83	180.14
Actuarial (gains) / losses arising from experience adjustments	(20.77)	154.14
Actuarial (gains) / losses arising from changes in financial assumptions	124.00	42.50
Benefits paid	(216.80)	(289.65)
Closing defined benefit obligation	3,067.43	2,767.13

Movements in the fair value of the plan assets are as follows:

(₹ in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Opening fair value of plan assets	2,623.53	2,290.70
Interest income	193.58	166.47
Contributions from the employer	398.34	412.00
Return on plan assets (greater)/less than discount rate	(224.88)	44.01
Benefits paid	(216.80)	(289.65)
Closing fair value of plan assets	2,773.77	2,623.53

Composition of plan assets:

Particulars	As at March 31, 2020	As at March 31, 2019
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, 2020		March 31, 2019	
Discount rate	6.85%		7.65%	
Estimated rate of return on plan assets	7.50%		7.50%	
Salary escalation rate	6.00%		7.00%	
Mortality rate	Indian Assured Lives Mortality (IALM) (2012-14) Ult. Modified		Indian Assured Lives Mortality (IALM) (2012-14) Ult. Modified	
	Age	Rate p.a	Age	Rate p.a
Attrition rate	21-30	5%	21-30	5%
	31-40	3%	31-40	3%
	41 &	2%	41 &	2%
	Above		Above	

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.

	Gratuity plan	
	March 31, 2020	March 31, 2019
Sensitivity Analysis – DBO at the end of the year		
Discount rate + 100 basis points	(109.06)	(191.44)
Discount rate – 100 basis points	117.28	220.44
Salary rate + 1%	116.79	219.68
Salary rate – 1%	(109.62)	(194.22)

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)

	Gratuity plan	
	March 31, 2020	March 31, 2019
Weighted average duration of DBO	8 years	8 years
Expected cash flows		
1. Expected employer contribution in the next year	150.00	150.00
2. Expected benefit payments		
Year 1	512.82	335.99
Year 2	414.35	340.19
Year 3	361.65	405.59
Year 4	278.77	350.24
Year 5	270.72	267.97
Beyond 5 years	1,229.12	1,082.45

33. 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.

Revenue – Sale of products	Year ended March 31, 2020	Year ended March 31, 2019
India	1,10,865.46	1,18,960.48
Outside India	14,856.54	21,989.89
Total	1,25,722.00	1,40,950.37

34. Related party disclosures

a. List of related parties and relationships

(i) Ultimate Holding Company

International Paper Company, USA till October 30, 2019

(ii) Holding Company

International Paper Investments (Luxembourg) S.a.r.l till October 30, 2019
West Coast Paper Mills Limited w.e.f October 30, 2019 onwards.

(iii) Subsidiary Company

Andhra Paper Foundation (Formerly known as IP India Foundation)

(iv) Fellow Subsidiaries

International Paper (India) LLP till October 30, 2019. (Formerly known as International Paper (India) Private Limited)
West Coast Opticable Limited w.e.f October 30, 2019.
Veer Enterprises Limited w.e.f October 30, 2019.

(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. S.K.Bangur – Chairman & Managing Director (w.e.f October 30, 2019)
Mr. Donald P. Devlin – Chairman & Managing Director (till October 30, 2019)
Mr. Anish T. Mathew – Director-Commercial and CFO (w.e.f October 30, 2019)

b. Transactions during the year

(₹ in lakhs)

Particulars	Name of the related party	Year ended March 31, 2020	Year ended March 31, 2019
Professional charges – Income	International Paper (India) LLP (Formerly known as International Paper (India) Private Limited)	82.28	318.17
Professional charges - Management contracts	International Paper (India) LLP (Formerly known as International Paper (India) Private Limited)	325.42	168.05
Royalty expenses	International Paper Company, USA	259.79	450.92
Loan repaid	International Paper (India) LLP (Formerly known as International Paper (India) Private Limited)	-	7,600.00
Interest paid on loan	International Paper (India) LLP (Formerly known as International Paper (India) Private Limited)	-	159.63
Expenses to be reimbursed - Performance Share Plan	International Paper Company, USA	77.85	239.72
Contribution towards provident fund	The Employees Provident Fund of The Andhra Pradesh Paper Mills Limited	461.66	415.34
Contribution towards CSR expenses	Andhra Paper Foundation (Formerly known as IP India Foundation)	9.00	13.83
Rental Income	West Coast Paper Mills Limited	1.08	-
Professional charges - Management contracts	West Coast Paper Mills Limited	6.85	-
Managerial remuneration	Key Management Personnel (Refer note below)	48.04	-

Note: Represents remuneration paid to Director-Commercial and CFO.

c. Amounts due from / due to related parties

Particulars	Name of the related party	As at March 31, 2020	As at March 31, 2019
Due to related parties			
Trade payables	International Paper (India) LLP (Formerly known as International Paper (India) Private Limited)	-	2.97
	International Paper Company, USA	-	104.85
	West Coast Paper Mills Limited	6.85	-
Payable towards performance share plan	International Paper Company, USA	-	333.52
Due from related parties			
Other Receivables	West Coast Paper Mills Limited	1.08	-

35. Ind AS 116 Transition note

The Company has adopted Ind AS 116 'Leases' with the date of initial application being April 1, 2019 using the modified retrospective approach, under which Right-of-use assets as at April 1, 2019 for leases previously classified as operating leases were recognised and measured at an amount equal to lease liability (adjusted for related prepayments/accruals). As a result, the comparative financial information has not been restated. In respect of leases previously classified as finance leases, the right-of-use asset and the corresponding liability were measured at the carrying amounts of the related finance lease asset and liability, respectively. The Company has discounted lease payments using the incremental borrowing rate as at April 1, 2019 viz 8.00% for measuring the lease liability. The Company has applied the below practical expedients:

- i) The Company has treated the leases with remaining lease term of less than 12 months as if they were "short term leases"
- ii) The Company has not applied the requirements of Ind AS 116 for leases of low value assets.
- iii) The Company has excluded the initial direct costs from measurement of the right-of-use asset at the date of transition.
- iv) The Company has used hindsight, in determining the lease term if the contract contains options to extend or terminate the lease.

On transition to Ind AS 116, the Company recognised right-of-use asset amounting to ₹ 2,107.78 lakhs (including leases previously classified as finance lease) and a lease liability of ₹ 2,239.74 lakhs (including leases previously classified as finance lease). The Company has recognised interest expenses on leases amounting to ₹ 155.24 lakhs for the year ended March 31, 2020 and depreciation on right-of-use asset amounting to ₹ 493.96 lakhs for the year ended March 31, 2020, in the financial statements.

- i) The following is the movement in lease liabilities during the year ended March 31, 2020 (₹ in lakhs)

Particulars	For the year ended March 31, 2020
Balance at the beginning (Impact of adoption of Ind AS 116)	2,239.74
Add: Lease liabilities recognised during the year	247.66
Less: Extinguishment of lease liabilities	(305.31)
Add: Interest cost accrued during the year	155.24
Less: Payment of lease liabilities including interest	(549.44)
Balance at the end	1,787.89

- ii) The impact of change in accounting policy on account of adoption of Ind AS 116 is as given below:

Particulars	For the year ended March 31, 2020
Interest on lease liability (refer note 27)	155.24
Amortisation of right of use assets (refer note 28)	493.96
Less: Lease rental expenses	(549.44)
Impact on the statement of profit and loss	99.76

- (ii) Maturity analysis of lease liabilities as on March 31, 2020:

Particulars	As at March 31, 2020
Less than one year	482.84
One to three years	796.64
More than three years	508.41
Total lease liabilities as at March 31, 2020	1,787.89

36. 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 March 31, 2020	Year ended March 31, 2019
Profit for the year (In ₹ Lakhs)	21,292.43	20,007.66
Weighted average number of equity shares outstanding during the year (Nos.) - Basic and Diluted	3,97,70,039	3,97,70,039
Earnings per share (Face value ₹ 10 per share) Basic and Diluted (₹)	53.54	50.31

37. Payments to Auditors

(₹ in lakhs)

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Statutory audit fees	54.00	52.00
Limited Review fees	12.00	12.00
Tax audit fees	8.00	8.00
Certification fees	7.50	1.50
Out of pocket expenses and others	1.00	1.20
TOTAL	82.50	74.70

The above excludes ₹ 4 lakhs (Previous year - ₹ 4 lakhs) paid to the affiliate firm of auditors

38. 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:

Particulars	As at March 31, 2020	As at March 31, 2019
(i) Principal amount remaining unpaid to supplier at the end of the year	542.53	474.40
(ii) Interest due thereon remaining unpaid to supplier at the end of the year	21.15	15.53
(iii) The amount of interest paid along with the amounts of the payment made to supplier beyond the appointed day	-	-
(iv) The amount of interest due and payable	-	-
(v) The amount of interest accrued and remaining unpaid at the end of accounting year	21.15	15.53

39. 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 20.

The movement of this provision account is as under:

Particulars	As at March 31, 2020	As at March 31, 2019
Opening balance	1,090.66	1,090.66
Provision made during the year	-	-
Amounts utilized / reversed during the year	-	-
Closing balance	1,090.66	1,090.66

40. Category-wise classification of Financial Instruments

The carrying value of financial instruments by categories as at March 31, 2020 and March 31, 2019 is as follows:

(₹ in lakhs)

Particulars	Fair value hierarchy	Carrying Value #	
		As at March 31, 2020	As at March 31, 2019
FINANCIAL ASSETS			
Measured at amortised cost			
(i) Cash and cash equivalents	Level 2	1,426.35	1,465.01
(ii) Other bank balances	Level 2	15,663.76	5,241.02
(iii) Trade receivables	Level 2	4,077.60	7,355.73
(iv) Loans *	Level 2	4,118.62	2,135.33
(v) Investments	Level 2	5.00	5.00
(vi) Other financial assets**	Level 2	1,496.81	1,110.68
Measured at FVTOCI			
Investments in equity instruments	Level 3	1,759.00	1,553.00
Measured at FVTPL			
Investments in mutual funds	Level 3	2,664.62	-
TOTAL FINANCIAL ASSETS		31,211.76	18,865.77
FINANCIAL LIABILITIES			
Measured at Amortised cost			
(i) Borrowings (including current maturities of long term debt)	Level 2	933.26	1,479.58
(ii) Trade payables	Level 2	12,940.87	17,088.59
(iii) Other financial liabilities ***	Level 2	5,034.01	3,701.75
TOTAL FINANCIAL LIABILITIES		18,908.14	22,269.92

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 in their accrued on fixed deposits, ICDS and margin money deposits.

*** Other financial liabilities includes interest accrued on the long term debt, security deposits received from customers and payables on purchase of property plant and equipment, excluding current maturities of long term debt.

41. 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, 2019.

Financial assets and liabilities are 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.

42. Fair value hierarchy:

The fair value of financial instruments as referred to in Note 40 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).

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, 2020	March 31, 2019				
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, ₹ 1,759.00 lakhs	1.84% equity investment in Andhra Pradesh Gas Power Corporation Limited engaged in generation and distribution of power and domiciled in India, ₹ 1,553.00 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 17.00% (As at March 31, 2019: 17.22%)	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 ₹ 72.00 lakhs and ₹ (63.00) lakhs respectively [as at March 31, 2019: increase/(decrease) by ₹ 62.00 lakhs and ₹ (53.00) 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 ₹ (102.00) lakhs and ₹ 117.00 lakhs respectively (as at March 31, 2019: (decrease) / increase by ₹ (94.00) lakhs and ₹ 108.00 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.
- Reconciliation of Level 3 fair value measurements: (₹ in lakhs)

Investments in unquoted equity instruments at FVTOCI	For the year ended March 31, 2020	For the year ended March 31, 2019
Opening balance	1,553.00	1,459.50
Total gain or losses:		
- in other comprehensive income	206.00	93.50
Purchases	-	-
Sold	-	-
Closing balance	1,759.00	1,553.00

43. 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, 2020 would decrease/increase by ₹ Nil lakhs (for the year ended March 31, 2019: decrease/increase by ₹ Nil 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 unutilised credit limits with banks. The Company maintained a cautious liquidity strategy, with a positive cash balance throughout the year ended March 31, 2020 and March 31, 2019. Cash flow from operating activities provides the funds to service the financial liabilities on a day to day basis.

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, 2020 and March 31, 2019:

(₹ 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, 2020					
Trade payables	12,940.87	12,940.87	-	-	-
Payables for purchase of property, plant and equipment	78.38	78.38	-	-	-
Borrowings	933.26	149.78	140.43	189.39	453.66
Lease liabilities	1,787.89	557.33	478.31	243.83	508.42
Other financial liabilities*	3,167.74	2,877.28	58.09	58.09	174.28
March 31, 2019					
Trade payables	17,088.59	17,088.59	-	-	-
Payables for purchase of property, plant and equipment	359.78	359.78	-	-	-
Borrowings	1,479.58	225.50	149.78	140.43	963.87
Lease liabilities	691.32	212.95	229.98	248.39	-
Other financial liabilities*	2,650.65	2,650.65	-	-	-

* Other financial liabilities include deposits received from customers amounting to ₹ 2,513.97 lakhs (March 31, 2019: ₹ 2,434.30 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. 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, 2020:

Particulars	As at March 31, 2020 (All figures in lakhs)	
	USD	₹
Assets		
Trade Receivables	10.43	789.10
Cash and cash equivalents	6.46	488.66
Liabilities		
Trade payables	3.89	294.11
Advances received from customers	0.43	32.82

As at March 31, 2019:

Particulars	As at March 31, 2019 (All figures in lakhs)	
	USD	₹
Assets		
Trade Receivables	20.74	1,434.07
Cash and cash equivalents	2.27	156.73
Liabilities		
Trade payables	5.34	369.58
Advances received from customers	-	-

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 ₹ 9.18 lakhs loss in the Statement of Profit and Loss (Year ended March 31, 2019 - ₹ 17.66 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.

44. 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: (₹ in lakhs)

Particulars	As at March 31, 2020	As at March 31, 2019
Long term borrowings and current maturities of long-term debt	933.26	1,479.58
Cash and cash equivalents (including other bank balances)	(17,090.11)	(6,706.03)
Inter-Corporate Deposit	(4,000.00)	(2,000.00)
Net debt / Surplus Cash - (A)	(20,156.85)	(7,226.45)
Equity – (B)	97,585.29	76,380.61
Net debt to equity ratio – (A)/(B)	(20.66)	(9.46)

45. The Company's wholly owned subsidiary, Andhra Paper Foundation (Formerly known as IP India 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.
46. Pursuant to the approval of National Company Law Tribunal (NCLT) vide its order dated November 16, 2018 in respect of the Scheme of Arrangement amongst the Company and its Members under the provisions of Sections 391 to 394 of the Companies Act, 1956, to transfer on the Appointed Date, the entire amount of ₹ 28,876.29 lakhs lying in the General Reserve to the Profit & Loss Account of the Company ("the Scheme"), the required transfers as envisaged by the Scheme have been made in the books of accounts.

47. Performance Share Plan - Restricted Stock Units

Equity-settled share-based payments

Certain employees of the Company have been granted performance-based restricted stock units ("PSUs") of International Paper Company, USA, the ultimate holding company, ("IP Co") till October 30, 2019, in accordance with the terms and conditions specified in the Performance Share Plan ("PSP"), from time to time.

The PSP is assessed, managed and administered by IP Co and the PSUs granted as part of the PSP will vest after a period of 3 years from the year the grant is given.

As per the arrangement with IP Co, the cost pertaining to the PSUs granted to the employees of the Company, is recharged to the Company, based on a fair valuation model.

Movements in the number of share options outstanding and their related weighted average exercise prices as at March 31, 2019:

Particulars	March 31, 2019	
	Number of options	Weighted Average Exercise Price (₹)
Outstanding at the beginning of the year	10,217	3,226
Granted during the year	4,302	2,966
Forfeited during the year	-	-
Exercised during the year	4,238	2,561
Expired during the year	-	-
Outstanding at the end of the year	10,281	3,587
Exercisable at the end of the year	10,281	3,587
Weighted average remaining contractual life (in years)		1.73

Particulars	March 31, 2019
Grant Date share price – In US \$	46.08
Exercise Price (in Rupees)	3,204.40
Expected Volatility	22.81% - 24.60%
Life of the options granted (Vesting and exercise period) in years	3
Expected dividends	-
Average risk-free interest rate	1.47% - 2.44%
Expected dividend rate	-

Post divestiture of IPCO share (October 31, 2019) in Andhra Paper Limited, the scheme of PSP was discontinued and there by no disclosure as on March 31, 2020.

- 48.** 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 paise 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 unfavourable 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.

49. Exceptional items

During the year ended March 31, 2019:

In respect of a disputed matter which is pending resolution, the Management has, considering the developments in the case and based on grounds of prudence, made a provision towards the interest demand amounting to ₹ 542.61 lakhs. The Company has already paid the related duty amount in the earlier years.

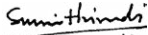
50. In view of the lockdown across the country due to the outbreak of COVID pandemic, operations in many of our locations (manufacturing, warehouse, offices, wood depots etc.) are scaled down in compliance with the directives / orders issued by the local Panchayat / Municipal Corporation / state / Central Government authorities.

The Company has considered the possible effects that may result from the pandemic while assessing the recoverability of receivables, inventory and other financial assets. The Company has also considered the impacts on the investments and expected credit losses. In developing the assumptions relating to the possible future uncertainties in the global and domestic economic conditions because of this pandemic, the Company, as at the date of approval of these financial statements has used internal and external sources of information, to the extent relevant, and has assessed such impact not to be material on the financial statements for the year ended March 31, 2020. The impact of the global health pandemic may be different from that estimated as at the date of approval of these financial statements and the Company will continue to closely monitor any material changes to future economic conditions.

51. The financial statements are approved for issue by the Board of Directors on May 29, 2020.

For Deloitte Haskins & Sells

Chartered Accountants

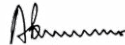


Sumit Trivedi

Partner

Place: Hyderabad

Date: May 29, 2020



Saurabh Bangur

Chief Executive Officer



Anish T. Mathew

Director (Commercial) &
Chief Financial Officer

For Andhra Paper Limited

(Formerly Known as International Paper APPM Limited)



S. K. Bangur

Chairman & Managing Director



C. Prabhakar

Senior Vice President (Corporate Affairs) &
Company Secretary



Andhra Paper Limited

(Formerly known as International Paper APPM Limited)
(CIN: L21010AP1964PLC001008)

<http://www.andhraper.com/>