

Minutes of the 46th Annual General Meeting of the Members of The Andhra Pradesh Paper Mills Limited held on Thursday, the 15th July, 2010 at 3.00 P.M. at Sri Venkateswara Anam Kala Kendram, Rajahmundry - 533104, East Godavari District, Andhra Pradesh.

PRESENT: DIRECTORS:

1. Shri R. C. Sarin
2. Shri P.J.V. Sarma, Chairman of Audit Committee
3. Shri P.K. Paul
4. Shri Rajiv Kapasi
5. Shri M.K. Tara, Managing Director & CEO
6. Shri Shreeyash Bangur, Director (Corporate)
7. Shri P.K. Suri, Director (Operations)

MEMBERS/PROXIES:

8. Digvijay Investments Limited: represented by Shri Shreeyash Bangur, Director (Corporate)
9. Other Members: 581 as per Attendance Record.
10. Proxies : 79 as per Attendance Record.

IN ATTENDANCE:

11. Shri T.V. Ramana, Partner, M/s. Brahmayya & Co., Statutory Auditors
12. Shri C. Prabhakar, Sr. Vice President (Corporate Affairs) & Company Secretary

At the outset, Shri C. Prabhakar, Senior Vice President (Corporate Affairs) & Company Secretary announced that in the absence of Chairman, the Directors present had chosen Shri R. C. Sarin as Chairman of the meeting as per Article 98 of the Articles of Association of the Company.

Shri C. Prabhakar after ascertaining the presence of quorum, declared that the required quorum for the meeting was present and requested the Chairman to conduct the proceedings.

Accordingly, Shri R.C. Sarin presided over the meeting and conducted the proceedings.

The Chairman welcomed the members to the 46th Annual General Meeting and introduced the Directors present. The Chairman also delivered his speech.



Shri C. Prabhakar read out the Auditors' Report on the Accounts of the Company for the year ended on 31st March, 2010. He further informed that the Register of Directors' Shareholding maintained pursuant to Section 307 of the Companies Act, 1956 and the Proxy Register were placed on the table for inspection by the members during the meeting.

Later, the Chairman moved the following resolutions for approval by the Members:

1. **Adoption of Annual Accounts and the Reports of Directors and Auditors thereon:**

Proposed by : Shri R.C. Sarin
Seconded by : Mrs. Rajani Jain

As an Ordinary Resolution:

“RESOLVED THAT the Balance Sheet as at 31st March, 2010 and Profit and Loss Account for the year ended as on that date of the Company together with the Reports of Directors and Auditors thereon be and are hereby adopted.”

Before putting the resolution to vote, the Chairman invited queries from the members and no queries were raised by the members.

The Chairman, thereafter, put the above resolution to vote by show of hands and declared that it was carried unanimously.

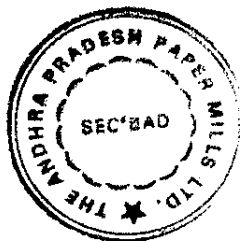
2. **Declaration of dividend:**

Proposed by : Shri N Ch Purushottam
Seconded by : Shri V. Srinivasu

As an Ordinary Resolution:

“RESOLVED THAT dividend at Re.1.00 per share on 3,27,51,797 equity shares of Rs.10/- each aggregating to Rs.3,27,51,797/- for the year ended 31st March, 2010 as recommended by the Board of Directors be and is hereby declared.”

The Chairman, thereafter, put the resolution to vote by show of hands and declared that it was carried unanimously.



3 **Re-appointment of Shri P.J.V. Sarma:**

Proposed by : Shri G Gangadhara Rao
Seconded by : Shri M.V. Ayyanna

As an Ordinary Resolution:

“RESOLVED THAT Shri P. J. V. Sarma, Director who retires by rotation under Article 142 of the Articles of Association of the Company be and is hereby re-appointed as a Director of the Company.”

The Chairman, thereafter, put the resolution to vote by show of hands and declared that it was carried unanimously.

4. **Re-appointment of Shri P.K. Paul:**

Proposed by : Shri NVV Satyanarayana Murty
Seconded by : Shri AAS Kameswara Rao

As an Ordinary Resolution:

“RESOLVED THAT Shri P.K. Paul, Director who retires by rotation under Article 142 of the Articles of Association of the Company be and is hereby re-appointed as a Director of the Company”.

The Chairman, thereafter, put the resolution to vote by show of hands and declared that it was carried unanimously.

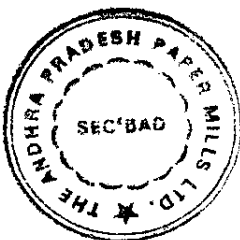
5 **Appointment of Auditors:**

Proposed by : Shri M. Satyanarayana
Seconded by: Shri KVRN Sarma

As an Ordinary Resolution:

"RESOLVED THAT pursuant to the provisions of Section 224 and other applicable provisions, if any, of the Companies Act, 1956, Messrs B S R & Co. (Firm Registration No.101248W), Chartered Accountants, Hyderabad, be and are hereby appointed as Auditors of the Company, in place of the retiring auditors Messrs Brahmayya & Co., Chartered Accountants, who are not seeking re-appointment, to hold office from the conclusion of this Meeting until the conclusion of the next Annual General Meeting at a remuneration as may be decided by the Board of Directors of the Company."

The Chairman, thereafter, put the resolution to vote by show of hands and declared that it was carried unanimously.



6 Payment of Commission to Directors of the Company:

Proposed by : Shri B Prabhakara Rao
Seconded by: Shri R Suryanarayana

As a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Section 309(4) and other applicable provisions, if any, of the Companies Act, 1956 and subject to such approvals as may be necessary, the Directors of the Company, other than the Managing/Whole-time Director(s) be paid annually such sum, by way of commission, not exceeding in aggregate such percentage of the net profits of the Company prescribed under the provisions of Section 309 of the Companies Act, 1956 and calculated in accordance with the provisions of Sections 198, 349 and 350 of the Companies Act, 1956 or any amendment or modification thereof, to be divided amongst the Directors, who are not in whole time employment of the Company, in such manner and subject to such limitations as the Board of Directors of the Company may from time to time determine and that such payment be made for each of five financial years commencing from 1st April, 2010 and further that the payment of the sum in the above manner shall be in addition to the fee per meeting of the Board/Committee of Board which each such Director is entitled to receive under the provisions of the Articles of Association of the Company."

The Chairman, thereafter, put the resolution to vote by show of hands and declared that it was carried unanimously.

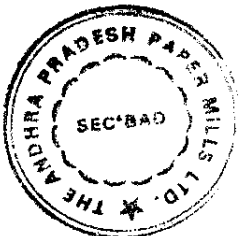
7 Re-appointment of Ms. Sheetal Bangur, Director (Commercial) of the Company:

Proposed by : Mrs. K. Indira
Seconded by: Shri GVBS Srinivasu

As a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, or any other statutory modification(s) or re-enactment thereof, the consent of the Company be and is hereby accorded to the re-appointment of Ms. Sheetal Bangur as a Whole-time Director designated as Director (Commercial) of the Company, who will not be liable to retire by rotation, for a further period of five years from 1st April, 2010 and to the payment of remuneration to Ms. Sheetal Bangur, Director (Commercial) during her tenure of re-appointment on the terms and conditions set out below:

- i. *Salary:* Rs.2,75,000 per month with such annual increments as may be determined by the Board of Directors of the Company from time to time in the salary range of Rs.2,00,000 to Rs.5,00,000 per month.



- ii. *Personal Allowance*: 30% of the salary per month.
- iii. *Special Allowance*: 15% of the salary per month.

iv. Perquisites:

a. *Housing*

The expenditure incurred by the Company in providing furnished/unfurnished accommodation to the Director (Commercial) shall not exceed 60% of her salary per month. In case no accommodation is provided by the Company, she shall be entitled to House Rent Allowance at 60% of salary per month.

b. *Security, Gardner, Helper Allowance and Food Coupons*: Actuals subject to a ceiling of Rs.10,000 per month.

c. *Conveyance*: Car with petrol and driver to be provided by the Company.

d. *Telephone*: Provision of telephone at residence and cell phone.

e. *Leave*: Leave in accordance with the Rules applicable to the senior staff of the Company.

f. *Production Bonus, Leave Travel Concession, Medical reimbursement, contribution to Provident Fund, Gratuity and other monetary benefits*: As applicable to the senior staff of the Company.

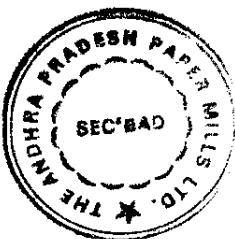
g. *Club Fees*: Fees of clubs subject to a maximum of two clubs.

h. *Personal Accident Insurance Premium*: Not exceeding Rs.7,500 per annum.

i. Such other benefits, amenities, facilities and perquisites as may be permitted by the Board of Directors to the Director (Commercial).

v. Use of Company's car for official purposes, cellphone, telephone at residence and encashment of leave at the end of the tenure and contribution to Provident Fund and Gratuity will not be considered as perquisites.

vi. In the event of loss or inadequacy of profits in any financial year, the Director (Commercial) shall be paid remuneration by way of salary, allowances and perquisites as specified under Section II of Part II of Schedule XIII of the Companies Act, 1956 or within such ceilings as may be prescribed under Schedule XIII from time to time or the Companies Act, 1956 and as may be amended or re-enacted from time to time.



- vii. The Director (Commercial) shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
- viii. The re-appointment of five years may be determined by either party by giving six months' notice in writing to the other party."

The Chairman, thereafter, put the resolution to vote by show of hands and declared that it was carried unanimously.

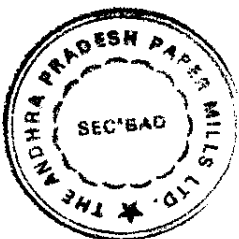
8 Appointment of Shri L.N. Bangur as Executive Chairman of the Company:

Proposed by : Shri B Vanisankar
Seconded by: Shri P Suresh Kumar

As a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 269 and 309 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, or any other statutory modification(s) or re-enactment thereof, the consent of the Company be and is hereby accorded to the appointment of Shri L.N. Bangur as Executive Chairman of the Company, who will be liable to retire by rotation, for a period of 5 years from 27th May, 2010 and to the payment of remuneration to Shri L.N. Bangur during his tenure of appointment on the terms and conditions set out below:

- i. *Salary*: Rs.8,00,000 per month with such annual increments as may be determined by the Board of Directors from time to time in the salary range of Rs.8,00,000 to Rs.16,00,000 per month.
- ii. *Personal Allowance*: 200% of the salary per month.
- iii. *Perquisites*
 - a. *Conveyance*: Car with petrol and driver to be provided by the Company.
 - b. *Telephone*: Provision of telephone at residence and cell phone.
 - c. *Leave*: Leave in accordance with the Rules applicable to the senior staff of the Company.
 - d. *Contribution to Provident Fund, Superannuation Fund, Gratuity and other monetary benefits*: As applicable to the senior staff of the Company.
 - e. *Club Fees*: Fees of clubs subject to a maximum of two clubs.
 - f. *Personal Accident Insurance Premium*: Not exceeding Rs.7,500 per annum.



- g. Such other benefits, amenities, facilities and perquisites as may be permitted by the Board of Directors to the Executive Chairman.
- iv. Use of Company's car for official purposes, cell phone, telephone at residence and encashment of leave at the end of the tenure and contribution to Provident Fund, Superannuation Fund and Gratuity will not be considered as perquisites.
- v. In the event of loss or inadequacy of profits in any financial year, the Executive Chairman shall be paid remuneration by way of salary, allowances and perquisites as specified under Section II of Part II of Schedule XIII of the Companies Act, 1956 or within such ceilings as may be prescribed under Schedule XIII from time to time or the Companies Act, 1956 and as may be amended or re-enacted from time to time.
- vi. The Executive Chairman shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
- vii. The appointment of five years may be determined by either party by giving six months' notice in writing to the other party."

The Chairman, thereafter, put the resolution to vote by show of hands and declared that it was carried unanimously.

9 Revision of Remuneration to Shri M.K. Tara, Managing Director of the Company:

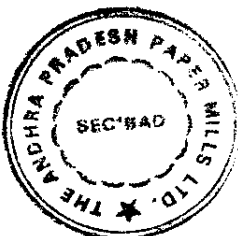
Proposed by : Shri R Suryanarayana
Seconded by: Shri Ch S Veerabhadra Rao

As a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the revised remuneration payable to Shri M.K. Tara, Managing Director for the remainder of the tenure of his office as per the details given below:

- i. *Salary Range:* Rs.5,00,000 to Rs.10,00,000 per month with effect from 1st April, 2009 with such annual increments as may be determined by the Board of Directors of the Company within the said range.
- ii. *Personal Allowance:* 35% of salary per month with effect from 1st November, 2008.

FURTHER RESOLVED THAT the other terms of his remuneration package remain unchanged."



The Chairman, thereafter, put the resolution to vote by show of hands and declared that it was carried unanimously.

10 Revision of Remuneration to Ms. Sheetal Bangur, Director (Commercial) of the Company:

Proposed by : Shri G Gangadhara Rao
Seconded by: Shri N Ch Purushottam

As a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the revised remuneration payable by way of Personal Allowance (in place of gas, electricity and water) at 30% of salary per month to Ms. Sheetal Bangur, Director (Commercial) for the period from 1st April, 2008 to 31st March, 2010.

FURTHER RESOLVED THAT the other terms of her remuneration package remain unchanged."

The Chairman, thereafter, put the resolution to vote by show of hands and declared that it was carried unanimously.

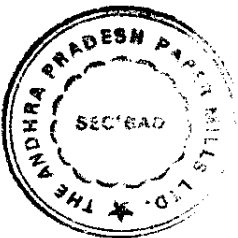
11 Revision of Remuneration to Shri Shreeyash Bangur, Director (Corporate) of the Company:

Proposed by : Mrs. Rajani Jain
Seconded by: Shri B Vani Sankar

As a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the revised remuneration payable to Shri Shreeyash Bangur, Director (Corporate) for the remainder of the tenure of his office as per the details given below:

- i. *Salary Range:* Rs.2,00,000 to Rs.5,00,000 per month with effect from 1st April, 2010 with such annual increments as may be determined by the Board of Directors of the Company within the said range.
- ii. *Personal Allowance:* 30% of salary per month with effect from 1st April, 2009 (in place of gas, electricity and water)
- iii. *Special Allowance:* 15% of salary per month with effect from 1st April, 2010 (in place of contribution to Superannuation Fund)



FURTHER RESOLVED THAT the other terms of his remuneration package remain unchanged."

The Chairman, thereafter, put the resolution to vote by show of hands and declared that it was carried unanimously.

12 Revision of Remuneration payable to Shri P.K. Suri, Director (Operations) of the Company:

Proposed by : Shri KVRN Sarma

Seconded by: Mrs. K Indira

As a Special Resolution:

"RESOLVED THAT pursuant to the provisions of Sections 198, 309 and 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, the consent of the Company be and is hereby accorded to the revised remuneration payable to Shri P.K. Suri, Director (Operations) for the remainder of the tenure of his office as per the details given below:

- i. *Salary Range:* Rs.2,00,000 to Rs.5,00,000 per month with effect from 1st April, 2010 with such annual increments as may be determined by the Board of Directors of the Company within the said range.
- ii. *Personal Allowance:* 20% of salary per month with effect from 1st April, 2009 (in place of gas, electricity and water).

FURTHER RESOLVED THAT the other terms of his remuneration remain unchanged."


The Chairman, thereafter, put the resolution to vote by show of hands and declared that it was carried unanimously.

The meeting concluded with a vote of thanks to the Chair.

CHAIRMAN

Certified True Copy

For The Andhra Pradesh Paper Mills Limited



C. PRABHAKAR

Sr. Vice President (Corporate Affairs) &
Company Secretary