

**THE ANDHRA PRADESH PAPER MILLS LIMITED**

(A Subsidiary of IP Holding Asia Singapore Pte. Ltd)

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

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

Hi-tech City Main Road, Madhapur, Hyderabad – 500 081 (A.P.) India.

**NOTICE**

NOTICE is hereby given that an Extraordinary General Meeting of the Members of The Andhra Paper Mills Limited will be held on Tuesday, the December 3, 2013 at 12.00 noon at Cherukuri Subbarao Gannemma Udyana Kalyanavedika, Jawaharlal Nehru Road, Rajahmundry-533103, East Godavari District, Andhra Pradesh, India to transact the following **Special Business**:

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

“RESOLVED THAT pursuant to the provisions of section 21 and any other applicable provisions, if any, of the Companies Act, 1956 and subject to the approval of Central Government and such other approvals as may be required, the name of the Company be changed from The Andhra Pradesh Paper Mills Limited to **International Paper APPM Limited**.

“FURTHER RESOLVED THAT the Managing Director & CEO and the Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed expedient and necessary to give effect to this Special Resolution.”

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

“RESOLVED THAT pursuant to the provisions of sections 16 and 21 and other applicable provisions, if any, of Companies Act, 1956, and upon receipt of Central Government’s approval for change of name, the Memorandum of Association of the Company be amended as follows:

a) The existing Clause I be deleted and be substituted in its place with the following new Clause:

I. The name of the Company is **International Paper APPM Limited**

b) The words “The Andhra Pradesh Paper Mills Limited” or any words including the words “Andhra Paper Mills” used for reference to the name of the Company appearing elsewhere in the Memorandum of Association of the Company be replaced with the words **International Paper APPM Limited**.

“FURTHER RESOLVED THAT the Managing Director & CEO and the Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed expedient and necessary to give effect to this Special Resolution.”

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

“RESOLVED THAT pursuant to the provisions of section 31 and any other applicable provisions, if any, of the Companies Act, 1956 and upon receipt of Central Government’s approval for change of name, the Articles of Association of the Company be amended as follows:

a) The existing definition of the “Company” under Article 3 be deleted and substituted in its place with the following new Clause:

**Article 3**

The Company means **International Paper APPM Limited**.

b) The words “The Andhra Pradesh Paper Mills Limited” or any words including the words “Andhra Paper Mills” used for reference to the name of the Company appearing elsewhere in the Articles of Association of the Company be replaced with the words **International Paper APPM Limited**.

“FURTHER RESOLVED THAT the Managing Director & CEO and the Company Secretary be and are hereby severally authorized to do all such acts, deeds, matters and things as may be deemed expedient and necessary to give effect to this Special Resolution.”

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

“RESOLVED THAT in modification of the Resolutions passed at the 44<sup>th</sup> Annual General Meeting held on September 27, 2008 and 46<sup>th</sup> Annual General Meeting held on July 15, 2010 and in accordance with the provisions of sections 198, 269, 309, 310, 311 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time-being in force), the approval of the Company be and is hereby accorded for payment of remuneration of Rs.81.97 lakhs to Mr. M.K.Tara, former Managing Director during the period from July 14, 2011 to October 14, 2011 as minimum remuneration as set out in the Explanatory Statement notwithstanding the absence or inadequacy of profits.”

By Order of the Board  
For THE ANDHRA PRADESH PAPER MILLS LIMITED

C.PRABHAKAR  
SR. VICE PRESIDENT (CORPORATE AFFAIRS) &  
COMPANY SECRETARY

Date : October 31, 2013

## Notes

1. A Member entitled to attend and vote at this Extraordinary General Meeting is entitled to appoint a Proxy to attend and vote instead of himself/herself and the proxy need not be a member of the Company. The Proxy form duly completed must reach the Registered Office of the Company at least forty eight hours before the commencement of the meeting.
2. The Explanatory Statement pursuant to section 102 of the Companies Act, 2013 relating to special business to be transacted at the Meeting is annexed hereto.

### Explanatory Statement Pursuant to section 102 of the Companies Act, 2013

#### For Item Numbers 1 to 3

The Board of Directors of the Company has been evaluating a proposal for changing the name of Company after the acquisition of 75% equity shares by IP Holding Asia Singapore Pte Ltd. Singapore (IPHAS) from the erstwhile promoters and public shareholders in October, 2011.

The Andhra Pradesh Paper Mills Limited (APPM) was incorporated on June 29, 1964. Consequent upon acquisition of 2,98,27,529 equity shares of Rs.10/- each of APPM (75% of capital) from erstwhile promoters and the public, APPM had become a subsidiary of IPHAS. All the shares in IPHAS are held by IP International Holding Inc. which is a subsidiary of International Paper Company. Thus, APPM is an ultimate subsidiary of International Paper Company.

The change of name is driven by three factors:

1. Recognize the parentage of International Paper, while maintaining a link to the history and positioning of APPM brand.
2. Ensure that we direct future investments in brand-building around the IP brand, leveraging our global presence and technology.
3. Expand the brand of the Company given its pan-India presence of customers and distributors.

The Board of Directors have therefore decided to change the name of the Company from *The Andhra Pradesh Paper Mills Limited* to *International Paper APPM Ltd.* subject to the approval of shareholders and also Central Government under the provisions of Companies Act, 1956. The new name proposed, apart from integrating APPM into International Paper Group, also retains 'APPM' which has become so widely recognized and accepted over the years in paper industry and has also established its brand in different varieties of paper.

This change would also call for consequential amendments to Memorandum and Articles of Association as set out in the notice.

The Registrar of Companies, Andhra Pradesh, Hyderabad has confirmed the availability of proposed new name viz., International Paper APPM Limited vide his letter dated October 28, 2013. The power of Central Government to approve change of name has been delegated to Registrar of Companies. The approval to the above change of name will be obtained by the Company from Registrar of Companies, Andhra Pradesh, Hyderabad. The change of name would be complete and effective only on the issue of a fresh Certificate of Incorporation by Registrar of Companies, Andhra Pradesh, Hyderabad.

For the above reasons, your Directors recommend the Special Resolutions under Item Nos. 1 to 3 for your approval.

None of the Directors, Key Managerial Personnel and their relatives are interested or concerned in the Special Resolutions set out under Item Nos. 1 to 3 of the Notice except to the extent of their interest as members of the Company. Some of the Directors and Key Managerial Personnel hold shares in The Andhra Pradesh Paper Mills Ltd. (APPM) which is below 1% of the paid up share capital of APPM. Similarly, some of the Directors of the Company hold shares in International Paper Company (IPC) which is also below 1% of the paid up share capital of IPC.

Mr. Michael Amick Jr. Executive Chairman, Mr. Michael Baymiller and Mr. Kenneth P Huelskamp, Directors of the Company are also Directors of IP Holding Asia Singapore Pte. Ltd.

A printed copy of the existing Memorandum and Articles of Association of the Company is available for inspection at the Registered Office of the Company on any working day between 10.00 A.M. and 12.00 Noon upto and including December 2, 2013.

#### For Item No.4

The Board of Directors of the Company at the Meeting held on January 25, 2012 approved the proposal for making applications to Ministry of Corporate Affairs (MCA) seeking approval for waiver of recovery of excess remuneration paid to the erstwhile promoter directors and Managing Director for the period from 01.04.2011 to 14.10.2011. The Company received approval from MCA in respect of Mr. Shreyash Bangur and Ms. Sheetal Bangur. However, MCA conveyed its approval vide letter dt.03.07.2013 for waiving the recovery of excess remuneration of Rs.33.41 lakhs against a total remuneration of Rs.71.39 lakhs paid to Mr. M.K.Tara, former Managing Director for the period from 01.04.2011 to 13.07.2011. The payment of remuneration for the balance period from 14.07.2011 to 14.10.2011 is covered by MCA Notification No.GSR 534 (E) dated 14.07.2011 in terms of which approval of shareholders would suffice for payment of remuneration to professional directors by way of a Special Resolution.

The Board of Directors have, therefore, decided to seek the approval of shareholders for payment of remuneration of Rs.81.97 lakhs to Mr. M.K. Tara, former Managing Director for the period from 14.07.2011 to 14.10.2011.

Your directors, therefore, commend the special resolution as set out in the notice for your approval.

None of the Directors, Key Managerial Personnel and their relatives are interested or concerned in the Special Resolution set out in the Notice except to the extent of their interest as members of the Company.

A copy of the MCA's approval letter no.SRNB62212774/2012-CL VII dated 03/07/2013 waiving the recovery of excess remuneration of Rs.33.41 lakhs out of Rs.71.39 lakhs paid to Mr. M.K.Tara, former Managing Director for the period from 01.04.2011 to 13.07.2011 is available for inspection at the Registered Office of the Company on any working day between 10.00 A.M. and 12.00 Noon upto and including December 2, 2013.

**Statement as required in terms of Schedule XIII of the Companies Act, 1956 annexed to the Notice calling Extra Ordinary General Meeting for payment of minimum remuneration to Mr. M.K. Tara, former Managing Director.**

(Please refer Resolution No. 4 of the Notice dated October 31, 2013)

#### I. GENERAL INFORMATION

- 1 Nature of industry : Manufacture of pulp, paper and paper board.
- 2 Date or expected date of commencement of commercial production : Incorporation of Company on June 29, 1964.  
Commencement of Business on July 10, 1964.
- 3 In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus : Not Applicable
- 4 Financial performance based on given indicators : The key performance indicators of the Company during the previous three years are given below:

Particulars	Rs. Lakhs		
	2010-11 (12 months)	2011 (9 months)	2012-13 (15 months)
Sales & Other Income	79862.08	60160.25	125361.61
Earnings before interest, depreciation & taxation (EBIDTA)	16393.75	7356.22	13876.67
Profit before Depreciation & Tax	12405.32	3745.88	8340.42
Net Profit/(Loss)	4494.22	(9781.22)	(2370.23)

- 5 Export performance and net foreign exchange earnings : Exports are viable and the Company earned a foreign exchange equivalent to Rs. 11747.59 lakhs during the year (15 month period) ended March 31, 2013.
- 6 Foreign Investments or collaborators, if any : Foreign Institutional Investors and Foreign Financial Institutions were holding 910,085 equity shares of Rs.10 each constituting 2.29% of the paid up capital of the Company as on March 31, 2013 and there is no foreign collaborator. The holding company viz., IP Holding Asia Singapore Pte.Ltd., holds 29,827,529 equity shares of Rs.10 each aggregating to 75% paid up equity share capital of the Company.

#### II. INFORMATION ABOUT THE APPOINTEE

##### 1. Background details of Mr. M.K. Tara

i Age	68 Years
ii Academic qualifications	Graduate in Chemical Engineering
iii Experience	Mr. M.K. Tara has more than 40 years of experience at various levels and in different facets of project management and administration of large pulp and paper mills both in India and abroad.
iv Particulars of previous employment as whole-time Director	Chief Executive in Abhishek Industries Limited
v Date of approval of last appointment	His appointment as Managing Director was approved by Members at the Annual General Meeting held on September 27, 2008.
vi Approval for increase in remuneration, if any	The remuneration was revised by the Members at the Annual General Meeting held on July 15, 2010.

## 2. Remuneration paid during the year ended December 31, 2011:

		Rs. Lakhs
Particulars	Amount	
i Salary & allowances		146.88
ii Perquisites		0.75
lii Contribution to PF, superannuation fund and gratuity		5.73
TOTAL		153.36*

\* paid for the period from January 1, 2011 to October 14, 2011 before he resigned.

## 3. Recognition and awards

The Company received second prize in appreciation of achievements in Energy Conservation in Large Scale Industry Sector for the years 2010-11 and 2011-12 from the Government of Andhra Pradesh.

The Company was awarded the '2013 Award for Outstanding Rural Development' at the world CSR Congress in Mumbai. The award is a global recognition for Company's efforts in the areas of social development.

The Company also received Forest Stewardship Council Certification (FSC) in respect of Unit: Kadiyam covering the production of paper using transfer and credit systems and sourcing of reclaimed material.

## 4. Job profile and his sustainability

To oversee the Company's affairs and management, to implement the investment plans and make strategy for improving the performance of the Company. Mr. M.K. Tara had the ability to get better results by encouraging innovative ideas.

## 5. Remuneration proposed: Not applicable.

## 6. Comparative remuneration profile with respect to industry, size of the Company, Profile of the position and person

Considering the size of the Company, the profile of Mr. M.K. Tara, responsibility shouldered by him and the industry benchmark, the remuneration set out in the explanatory statement is commensurate with the remuneration package paid to similar senior level appointee in other companies.

## 7. Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any

Mr. M.K. Tara does not hold any equity shares in the Company. Except employment with the Company, he did not have any other pecuniary relationship directly or indirectly and was not related to any other Director or senior management personnel.

## III. OTHER INFORMATION

### 1. Reasons of loss or inadequate profits

The Company had made provisions and write offs aggregating to Rs. 47.20 crore and deferred tax of earlier years amounting to Rs.84.75 crore during the financial year (nine month period) ended December 31, 2011 which resulted in net loss of Rs.97.81 crore.

### 2. Steps taken or proposed to be taken for improvement

Keeping the overall scenario of the industry, the Company is performing reasonably well and has been expanding its operational efficiency across the segment to gain the competitive edge. The company is strengthening its focus on supply chain management, quality control, captive production, strategic market alliances and expansions.

### 3. Expected increase in productivity and profits in measurable terms

Barring unforeseen circumstances, the overall outlook for the financial year 2013-14 seems to be positive and the management is optimistic of achieving improvements in the Company's performance. However, it is extremely difficult in present scenario to predict profits in measurable terms but the above initiatives are expected to improve productivity and profitability.

## IV. DISCLOSURES

The remuneration paid to Mr. M.K.Tara, former Managing Director for the period from 01.04.2011 to 14.07.2011 has been under information about the appointee and the other disclosures have been appropriately made in the Report on Corporate Governance annexed to and forming a part of the Directors' Report included in the 47<sup>th</sup> Annual Report of the Company for the financial year ended December 31, 2011.

By Order of the Board  
For THE ANDHRA PRADESH PAPER MILLS LIMITED

C.PRABHAKAR  
SR. VICE PRESIDENT (CORPORATE AFFAIRS) &  
COMPANY SECRETARY

Date : October 31, 2013

**INTERNATIONAL  PAPER**

**THE ANDHRA PRADESH PAPER MILLS LIMITED**

Registered Office: Rajahmundry - 533 105, East Godavari District, Andhra Pradesh

Mr./Ms. ....  
 .....  
 .....  
 .....

MEMBER  PROXY   
 (Please tick as applicable)

No. of Shares  
 \_\_\_\_\_

Note: 1. Only Members of the Company or their proxies will be allowed to attend the Meeting ON PRODUCTION OF ATTENDANCE SLIP duly completed and signed.  
 2. Members who hold shares in dematerialised form are requested to bring their Client ID and DP ID numbers for easy identification of attendance at the Meeting.

**ATTENDANCE SLIP**

Day Tuesday  
 Date December 3, 2013  
 Time 12.00 noon  
 Venue Cherukuri Subbarao Gannemra Udyana Kalyanavedika, Jawaharlal Nehru Road, Rajahmundry - 533 103

Folio No. \_\_\_\_\_  
 Demat Particulars DP ID No. \_\_\_\_\_  
 Client ID No. \_\_\_\_\_

I hereby record my presence at the EXTRAORDINARY GENERAL MEETING of the Company

Signature of the Member or Proxy

Tear Here.

**INTERNATIONAL  PAPER**

**THE ANDHRA PRADESH PAPER MILLS LIMITED**

Registered Office: Rajahmundry - 533 105, East Godavari District, Andhra Pradesh

No. of Shares  
 \_\_\_\_\_

**FORM OF PROXY**

Folio No. \_\_\_\_\_  
 Demat Particulars DP ID No. \_\_\_\_\_  
 Client ID No. \_\_\_\_\_

I/We ..... (Name of Member)  
 of ..... (Address)  
 being Member(s) of THE ANDHRA PRADESH PAPER MILLS LIMITED hereby appoint ..... (Name of proxy)  
 of ..... or failing him/her (Address of proxy)  
 ..... (Name of alternate proxy)  
 of ..... (Address of alternate proxy)

as my/our proxy to vote for me/us on my/our behalf at the EXTRAORDINARY GENERAL MEETING of the Company to be held at 12.00 noon on Tuesday, the December 3, 2013 and at any adjournment thereof.

Date..... Signature.....

Affix a 15 paise Revenue Stamp

Note: The Proxy in order to be effective should be duly stamped, completed and signed and must be deposited at the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting. The Proxy need not be a member of the Company.