

## Notice

NOTICE is hereby given that the 49th Annual General Meeting of the Members of The Andhra Pradesh Paper Mills Limited will be held **on Tuesday, August 6, 2013 at 11.30 a.m. at Cherukuri Subbarao Gannemma Udyana Kalyanavedika, Jawaharlal Nehru Road, Rajahmundry - 533 103, East Godavari District, Andhra Pradesh** to transact the following business:

### ORDINARY BUSINESS

1. To consider and adopt the Balance Sheet as at March 31, 2013, Statement of Profit and Loss for the year (15 month period) ended as on that date and the Reports of the Directors and Auditors thereon.

2. To consider and, if thought fit, to pass, with or without modification, the following Resolution 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 Deloitte Haskins & Sells (Firm Registration No.008072S), Chartered Accountants, Hyderabad, be and are hereby re-appointed as Auditors of the Company, 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."

### SPECIAL BUSINESS

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

"RESOLVED THAT Mr. M. K. Sharma be and is hereby appointed as Independent Director of the Company in the vacancy created by the resignation of Mr. P. K. Paul, Independent Director and in respect of which vacancy, the Company has received a notice in writing, proposing his candidature under the provisions of Section 257 of the Companies Act, 1956."

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

"RESOLVED THAT Mr. Adhiraj Sarin be and is

hereby appointed as Independent Director of the Company in the vacancy created by the resignation of Mr. P. R. Ramakrishnan, Independent Director and in respect of which vacancy, the Company has received a notice in writing, proposing his candidature under the provisions of Section 257 of the Companies Act, 1956."

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

"RESOLVED THAT Mr. Milind Sarwate be and is hereby appointed as Independent Director of the Company in the vacancy created by the resignation of Mr. Rajiv Kapasi, Independent Director and in respect of which vacancy, the Company has received a notice in writing, proposing his candidature under the provisions of Section 257 of the Companies Act, 1956."

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

"RESOLVED THAT Mr. Kenneth P. Huelskamp who was appointed as an Additional Director of the Company by the Board of Directors under Article 129 of the Articles of Association of the Company and who ceases to hold office pursuant to Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 in writing, proposing his candidature for the office of Director be and is hereby appointed as Director of the Company."

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

"RESOLVED THAT Mr. Michael Baymiller who was appointed as an Additional Director of the Company by the Board of Directors under Article 129 of the Articles of Association of the Company and who ceases to hold office pursuant to Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 in writing, proposing

his candidature for the office of Director be and is hereby appointed as Director of the Company."

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

"RESOLVED THAT Mr. W. Michael Amick Jr. who was appointed as an Additional Director of the Company by the Board of Directors under Article 129 of the Articles of Association of the Company and who ceases to hold office pursuant to Section 260 of the Companies Act, 1956 and in respect of whom the Company has received a notice under Section 257 of the Companies Act, 1956 in writing, proposing his candidature for the office of Director be and is hereby appointed as Director of the Company.

FURTHER RESOLVED THAT subject to the provisions of Section 269 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 Mr. W. Michael Amick Jr. as Whole time Director designated as Executive Chairman of the Company, who will not be liable to retire by rotation, for a period of five years with effect from August 23, 2012 without any remuneration.

The contract of appointment of five years may be terminated by either party by giving six months' notice in writing to the other party."

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

"RESOLVED THAT in partial modification of the resolution passed at the 48th Annual General Meeting held on March 22, 2012 and in accordance with the provisions of Sections 198, 269, 309, 310, 311 read with Schedule XIII and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof for the time being in force) and subject to such consents, sanctions and permission as may be necessary in law, approval of the

Company be and is hereby given for payment of remuneration to Mr. Rampraveen Swaminathan for a period of three years from March 2, 2012 to March 1, 2015 as set out in the Explanatory Statement attached to this notice.

FURTHER RESOLVED THAT in the event of any loss or inadequacy of profits in any financial year of the Company during the tenure of Mr. Rampraveen Swaminathan as Managing Director & CEO, the remuneration as set out in the Explanatory Statement shall be paid and allowed to him as minimum remuneration notwithstanding the absence or inadequacy of profits in any year.

FURTHER RESOLVED THAT the Board of Directors or a duly constituted Committee thereof be and is hereby authorised to do all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to this Resolution."

10. 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 44th Annual General Meeting held on September 27, 2008 and 46th 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 all 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 ₹31.10 lakhs to Mr. P.K. Suri, former Director (Operations) during the period from January 1, 2012 to July 13, 2012 as minimum remuneration as set out in the Explanatory Statement notwithstanding the absence or inadequacy of profits."

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

"RESOLVED THAT in supersession of the resolution passed by the Members at the 19th Annual General

Meeting of the Company held on December 29, 1983 and pursuant to the provisions of Section 293(1)(e) and other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modification or re-enactment thereof for the time being in force), the Board of Directors of the Company (hereinafter referred to as "the Board") be and is hereby authorised to contribute, from time to time, to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, such amount or amounts, as the Board may in its absolute discretion deem fit PROVIDED HOWEVER THAT the total amount that may be so contributed in any financial year of the Company shall not exceed ₹20,000,000 (Rupees Two Crore only) or five per cent of the Company's average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Companies Act, 1956 during the three financial years immediately preceding, whichever is greater."

FURTHER RESOLVED THAT for the purpose of giving effect to the above Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion deem necessary and/or expedient for implementing and giving effect to this Resolution and to settle any questions, difficulties or doubts that may arise in this regard on behalf of the Company."

**By Order of the Board  
For The Andhra Pradesh Paper Mills Limited**

*C. Prabhakar*

**C. Prabhakar**

Sr. Vice President (Corporate Affairs) &  
Company Secretary

Registered Office:  
Rajahmundry - 533 105  
East Godavari District,  
Andhra Pradesh  
May 2, 2013

## Notes

- i. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL 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.**
- ii. The Explanatory Statement pursuant to Section 173(2) of the Companies Act, 1956 in respect of Item Nos. 3 to 11 is annexed hereto.
- iii. The Register of Members and Share Transfer Books of the Company will remain closed from July 23, 2013 to August 6, 2013 (both days inclusive).
- iv. Trading in equity shares of the Company through stock exchanges is permitted only in dematerialized form. Members can dematerialize their equity shares in the Company through their Depository Participant(s). The ISIN in respect of equity shares is INE435A01028.
- v. Members holding shares in physical form are requested to notify any change in their address immediately to the Registrar and Transfer Agents, Karvy Computershare Private Limited, Plot No. 17 to 24, Vittal Rao Nagar, Madhapur, Hyderabad - 500 081 and those Members holding shares in electronic form should inform change in their address to their Depository Participant(s).
- vi. Members are requested to bring their copies of Annual Report to the Meeting.
- vii. As per provisions of the amended Companies Act, 1956 facility for making nomination is available to the investors in respect of the shares held by them in physical form. The investors holding shares in physical form can download the nomination form as prescribed under the Companies Act, 1956 from our 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.

- viii. ECS Mandate form is also placed on our website. Interested Members holding shares in physical form can download this form from the website.

**ix. INFORMATION REQUIRED UNDER THE LISTING AGREEMENT**

As required under the Listing Agreement, the particulars of Directors who are proposed to be appointed are given below:

- a. Mr. M.K. Sharma was appointed as Independent Director of the Company on December 6, 2011. He holds Bachelors Degree in Arts and Law besides P.G. Diploma in Personnel Management and Labour Laws.

Mr. Sharma currently practices as a corporate consultant and his areas of specialization include regulatory, corporate & securities laws, mergers, amalgamations and disposals, joint ventures, intellectual property law, advertising law, anti trust law, employment law and indirect taxation. After a six-year stint in DCM Limited, he joined Hindustan Lever Limited (HLL) in 1974 as Legal Manager. During his tenure at HLL, Mr. Sharma worked on corporate restructuring of Unilever Group in India, which culminated in creation of One Unilever corporate structure. He retired as the Vice Chairman of Hindustan Unilever Limited in May, 2007. He was a member of Managing Committee/National Committee of ASSOCHAM, FICCI, CII and Bombay Chamber of Commerce & Industry. Mr. Sharma is currently on the Boards of Wipro Limited, ICICI Lombard General Insurance Company Limited, Fulford (India) Limited, KEC International Limited, Asian Paints Limited, Travel Corporation (India) Limited and as Chairman of Thomas Cook (India) Limited and India Infradebt Limited and is a Managing Committee Member of International School of Business, Hyderabad.

He holds 10,000 equity shares of ₹10 each in the Company.

- b. Mr. Adhiraj Sarin was appointed as Independent Director of the Company on

December 6, 2011. He holds a Bachelors Degree in Engineering from IIT, Kanpur.

Mr. Sarin was the Managing Director of Bunge India, a global major in agri-commodities till April 10, 2013. He led a significant expansion at Bunge, with included acquisition of companies in India. He also was the Managing Director of Tube Investments of India, a precision engineering company of the Murugappa Group in Chennai. Mr. Sarin also worked for 25 years in Hindustan Unilever Limited (HUL) where he started his career as a Management Trainee in 1974 and his last assignment in HUL was Managing Director of Hind Lever Chemicals, the fertilizer and specialty chemicals subsidiary of HUL.

He holds 2,000 equity shares of ₹10 each through his relative in the Company.

- c. Mr. Milind Sarwate was appointed as Independent Director of the Company on December 6, 2011. He holds a Bachelors Degree in Commerce. He is a Member of the Institute of Company Secretaries of India, the Institute of Chartered Accountants of India and the Institute of Cost and Works Accountants of India.

Mr. Milind Sarwate has over 27 years of experience spread across diverse domains such as consumer products, finance, corporate development & strategy, product supply, and human resources. He joined Marico in 1998 and has since then held several leadership positions, and been instrumental in driving the growth journey for the company. His current role encompasses human resources, M&A, corporate communication and strategic business planning for the Marico Group. Prior to Marico, he was associated with Hoechst (Aventis) and the Godrej Group.

Besides being a Member of the Boards of several overseas companies of the Marico Group, he is a Non-Executive Director on the Board of Geometric Limited, 3D PLM Software Solutions Limited, Hindustan Polyamides &

Fibers Limited, Marico Consumer Care Limited, Marico Kaya Enterprises Limited, and Halite Personal Care India Private Limited and also a member of Executive Board of Marico Innovation Foundation (a company incorporated under Section 25 of the Companies Act, 1956). He has been a past Member of Board of Governors, Institute of Internal Auditors, Inc., Mumbai Chapter (2004-07).

He does not hold any shares in the Company.

- d. Mr. Kenneth P. Huelskamp was appointed as an Additional Director of the Company on July 13, 2012.

He currently serves as the Chief Financial Officer of IP Paper (India) Private Limited. Mr. Huelskamp began his career with International Paper in 1997 as Cost Analyst Stamford, P&C Papers and later held the role of International Tax Analyst, Memphis, and Finance. Throughout his career, he has held a number of different positions, including Manager Strategic Planning, Memphis Forest Products; he also held the role of Finance Director for Tobacco, Consumer Packaging. Prior to his current position in India, he was the Business Controller for Recycling, Industrial Packaging.

Mr. Huelskamp holds Bachelor of Science in Business Administration (Accounting & Finance) from the Wright State University, Dayton (OH) and Juris Doctorate (Financial & International Business Law Focus) from New York Law School.

He does not hold any shares in the Company.

- e. Mr. Michael Baymiller was appointed as an Additional Director of the Company on July 13, 2012. He currently serves as Director, Human Resources of IP Paper (India) Private Limited. He has served in this role since July, 2011 and is focusing on providing strategic HR leadership to support the Company's growing business in the region.

Mr. Baymiller began his career with International Paper in 1985 as a Personnel Analyst at IP's former mill in Natchez. Throughout his career, he has held a number of different HR positions within Printing Papers, Forest Products, Container Board mills and box plants before being named Director, HR for IP's Forest Products business in 1999. Prior to his current position in India, he was Director, HR for IP's Asia business in Shanghai where he was instrumental in building the foundation to support IP's growth in China and the Asia region.

Mr. Baymiller holds a Bachelor of Science Degree in Management from Troy University in Troy, Alabama. He is on the Boards of IP Corporate Management (Shanghai) Company Limited and IP Holding Asia Singapore Pte. Limited.

He does not hold any shares in the Company.

- f. Mr. W. Michael Amick Jr. was appointed as an Additional Director of the Company on July 13, 2012. He is the President of IP Paper (India) Private Limited and assumed charge as Executive Chairman of APPM on August 23, 2012. He is focused on establishing a strong presence for International Paper in India and strategically growing the business in the region.

Mr. Amick began his career with International Paper in 1990 as Supervisor at IP's former mill in Bastrop, LA., and later held the role of Facility Manager at the Springhill, LA., facility. Throughout his career, he has held a number of different positions, including Regional General Manager in the company's Container business, Strategic Planning Executive with IP's former Coated Papers division and Customer Technical Services Manager for Printing Papers. He also led the company's Supply Chain transformation, which focused on driving improvements across the company's North American manufacturing businesses, and held the role of Executive Vice President, XPEDX. Prior to his current position in India,

he was the Vice President and General Manager for the Coated Paperboard business.

Mr. Amick holds a Bachelors Degree in Finance from the University of South Alabama, and a Masters Degree in Business Administration from the University of North Carolina. He is actively involved in the community and served on the Board of Directors for the Memphis Regional Chamber of Commerce for six years. He is currently on the Board of IP Holding Asia Singapore Pte. Limited

He does not hold any shares in the Company.

- g. Mr. Rampraveen Swaminathan is a Commerce Graduate from St. Josephs Commerce College, Bangalore with a Post Graduate Diploma in Industrial Management from T.A. Pai Management Institute, Manipal. He also

attended an Executive Education program at Harvard Business School on 'Strategic Agility' in 2007. He assumed charge as Managing Director & CEO on March 2, 2012

He served as Executive Director, Power Systems Business in Cummins Inc, USA. In this role, he had global responsibility for Integrated Power Systems, Power Distribution and Power Projects. Mr. Swaminathan joined Cummins in 1999, and his prior roles in Cummins include leading the global Power Electronics Business, and leading the Power Generation Business in India. Prior to Cummins, he worked with the Tata Group, and was a member of the Tata Administrative Service.

He does not hold any shares in the Company.

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## Explanatory Statement

### Pursuant to Section 173 (2) of the Companies Act, 1956

#### Item 3

The Board of Directors of the Company at their meeting held on December 6, 2011 appointed Mr. M. K. Sharma as Independent Director to fill the casual vacancy caused by the resignation of Mr. P. K. Paul, Independent Director.

As per Section 262 of the Companies Act, 1956, Mr. M. K. Sharma will hold office up to the date Mr. P. K. Paul would have held office had it not been vacated.

A notice under Section 257 of the Companies Act, 1956 has been received from a Member of the Company signifying his intention to propose the name of Mr. M. K. Sharma for appointment as a Director of the Company.

The Board commends the Resolution as set out in the notice for approval by the Members.

None of the Directors, except Mr. M. K. Sharma, is concerned or interested in the said Resolution.

#### Item 4

The Board of Directors of the Company at their meeting held on December 6, 2011 appointed Mr. Adhiraj Sarin as

Independent Director to fill the casual vacancy caused by the resignation of Mr. P. R. Ramakrishnan, Independent Director.

As per Section 262 of the Companies Act, 1956, Mr. Adhiraj Sarin will hold office upto the date Mr. P. R. Ramakrishnan would have held office had it not been vacated.

A notice under Section 257 of the Companies Act, 1956 has been received from a Member of the Company signifying his intention to propose the name of Mr. Adhiraj Sarin for appointment as a Director of the Company.

The Board commends the Resolution as set out in the notice for approval by the Members.

None of the Directors, except Mr. Adhiraj Sarin, is concerned or interested in the said Resolution.

#### Item 5

The Board of Directors of the Company at their meeting held on December 6, 2011 appointed Mr. Milind Sarwate as Independent Director to fill the casual vacancy caused by the resignation of Mr. Rajiv Kapasi, Independent Director.

As per Section 262 of the Companies Act, 1956, Mr. Milind Sarwate will hold office upto the date Mr. Rajiv Kapasi would have held office had it not been vacated.

A notice under Section 257 of the Companies Act, 1956 has been received from a Member of the Company signifying his intention to propose the name of Mr. Milind Sarwate for appointment as a Director of the Company.

The Board commends the Resolution as set out in the notice for approval by the Members.

None of the Directors, except Mr. Milind Sarwate, is concerned or interested in the said Resolution.

#### **Item 6**

The Board of Directors of the Company at their meeting held on July 13, 2012 appointed Mr. Kenneth P. Huelskamp as an Additional Director and he holds office up to this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and Article 129 of the Articles of Association of the Company.

A notice under Section 257 of the Companies Act, 1956 has been received from a Member of the Company signifying his intention to propose the name of Mr. Kenneth P. Huelskamp for appointment as a Director of the Company.

The Board commends the Resolution as set out in the notice for approval by the Members.

None of the Directors, except Mr. Kenneth P. Huelskamp, is concerned or interested in the said Resolution.

#### **Item 7**

The Board of Directors of the Company at their meeting held on July 13, 2012 appointed Mr. Michael Baymiller as an Additional Director and he holds office up to this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and Article 129 of the Articles of Association of the Company.

A notice under Section 257 of the Companies Act, 1956 has been received from a Member of the Company signifying his intention to propose the name of Mr. Michael Baymiller for appointment as a Director of the Company.

The Board commends the Resolution as set out in the notice for approval by the Members.

None of the Directors, except Mr. Michael Baymiller, is concerned or interested in the said Resolution.

#### **Item 8**

Consequent upon resignation of Mr. Paul Brown as Executive Chairman, the Board of Directors of the Company at their meeting held on July 13, 2012 appointed Mr. W. Michael Amick Jr. as an Additional Director and designated as Executive Chairman for a period of five years from the date of his joining pursuant to the provisions of Section 269 read with Schedule XIII and any other applicable provisions of Companies Act, 1956 and pursuant to Article 150A of the Articles of Association of the Company. He assumed charge as Executive Chairman on August 23, 2012.

In compliance with the provisions of Schedule XIII, the Company had applied to the Central Government seeking approval for appointment of Mr. W. Michael Amick Jr. as Wholetime Director designated as Executive Chairman of the Company for a period of 5 years with effect from August 23, 2012 which is awaited.

He holds office up to this Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and Article 129 of the Articles of Association of the Company.

A notice under Section 257 of the Companies Act, 1956 has been received from a Member of the Company signifying his intention to propose the name of Mr. W. Michael Amick Jr. for appointment as a Director of the Company.

The above may be treated as an abstract of the terms of appointment of Mr. W. Michael Amick Jr. under Section 302 of the Companies Act, 1956.

The Board believes that his appointment as Executive Chairman will provide immense value to the Company and commends the Resolution as set out in the Notice for approval by the Members.

None of the Directors, except Mr. W. Michael Amick Jr., is concerned or interested in the said Resolution.

#### **Item 9**

Mr. Rampraveen Swaminathan was appointed as Managing Director & CEO of the Company for a period of

five years w.e.f. March 2, 2012 with the approval of the members of the Company obtained at the Annual General Meeting held on March 22, 2012 and for the payment of remuneration as set out below.

- i. **Salary:** ₹800,000 (Rupees Eight Lakhs only) per month with such increments as may be determined by the Board of Directors of the Company from time to time in the salary range of ₹800,000 to ₹1,600,000.
- ii. **Performance incentive:** Not exceeding 40% of the salary payable annually for each financial year as may be decided by the Board. However, depending on the performance of the Company, it may go up to 80% of the salary, as may be determined by the Board.
- iii. **Personal allowance:** 15% of the salary per month.
- iv. **Perquisites**
  - a. **Housing:** The expenditure incurred by the Company in providing furnished accommodation to the Managing Director shall not exceed 60% of his salary. In case no accommodation is provided by the Company, he shall be entitled to house rent allowance at 60% of salary per month.
  - b. **Helper allowance:** ₹3,500 per month.
  - c. **Food coupons/allowance:** ₹1,300 per month.
  - d. **Conveyance:** Car with driver to be provided by the Company.
  - e. **Telephone:** Provision of telephone at the residence and cell phone.
  - f. **Leave travel concession, contribution to provident fund and gratuity:** As per the Rules applicable to the senior staff of the Company.
  - g. **Medical reimbursement:** Subject to a ceiling of one month salary per annum.
  - h. **Club fees:** Fees of clubs subject to a maximum of two clubs.
  - i. **Personal accident insurance premium:** Not exceeding ₹7,500 per annum.

- j. **Leave:** Leave in accordance with rules applicable to the senior staff of the Company.
- k. Such other benefits, amenities, facilities and perquisites as may be permitted by the Board of Directors to the Managing Director.
- v. 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, and gratuity will not be considered as perquisites.
- vi. In the event of loss or inadequacy of profits in any financial year, the Managing Director 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 from time to time.
- vii. The Managing Director & CEO shall not be paid any sitting fees for attending the meetings of the Board of Directors or Committees thereof.
- viii. The contract of appointment of five years may be terminated by either party by giving six months' notice in writing to the other party.

The Board of Directors at their meeting held on April 23, 2013 revised the remuneration payable to Mr. Rampraveen Swaminathan, Managing Director & CEO on the recommendation of Remuneration Committee with effect from March 1, 2013 as under:

- i. Personal Allowance: 23.96% of basic per month in lieu of 15% by clubbing food coupons/allowance, helper allowance and medical allowance excluding non-taxable portion.
- ii. Medical reimbursement: ₹1,250 per month.
- iii. Group Health Insurance, Group Term Life Insurance and Group Personal Accident Insurance in lieu of personal accident insurance, shall be as per the schemes/rules applicable to the senior staff of the Company.

The other elements of remuneration package approved by the members of the Company at the Annual General Meeting held on March 22, 2012 shall remain unchanged.

Notwithstanding anything stated elsewhere, Mr. Rampraveen Swaminathan during the currency of his tenure as Managing Director & CEO, shall be entitled to the above remuneration package of salary and perquisites, irrespective of the condition that the said remuneration shall exceed the ceiling on remuneration under Section 198 and 309 of the Act and also of the condition where the Company has no profits or its profits are inadequate.

The remuneration package of Mr. Rampraveen Swaminathan, Managing Director & CEO, does not require the approval of the Central Government, notwithstanding the fact that the same may exceed the limits laid down in Sections 269, 198 & 309 read with Schedule XIII of the Companies Act, 1956, by virtue of Notification No. G. S. R. 534(E) dated July 14, 2011 read with clarification No. F.No.14/11/2012-CL-VII dated August 16, 2012 issued by Ministry of Corporate Affairs, Government of India since:

- a. he is not having any direct or indirect interest in the capital of the Company or through any other statutory structures at any time during last two years before or on the date of appointment; and
- b. he holds a Bachelors Degree in Commerce and Post Graduate Diploma in Management from the T.A. Pai Management Institute, Manipal and attended Executive Education Programme at Harvard Business School in 2007 and has expert and specialized knowledge in the field of his profession.

In terms of the above notification, payment of remuneration and perquisites to Mr. Rampraveen Swaminathan as Managing Director requires the approval of the Members of the Company by way of a Special Resolution.

The above may be treated as an abstract of the terms of the Memorandum of Interest under Section 302 of the Companies Act, 1956.

The Board commends the Resolution as set out in the notice for approval by the Members.

None of the Directors, except Mr. Rampraveen Swaminathan, is concerned or interested in the said Resolution.

#### **Item 10**

The Members of the Company at the Annual General Meeting held on September 27, 2008 appointed Mr. P.K. Suri as Whole-time Director designated as Director (Operations) for a period of five years with effect from May 12, 2008 and for the payment of remuneration as mentioned therein and further approved the revision in his salary at the Annual General Meeting held on July 15, 2010.

Mr. P.K. Suri was paid a remuneration of ₹31.10 lakhs during his tenure as Director (Operations) from January 1, 2012 to July 13, 2012.

The remuneration of Mr. P. K. Suri, former Director (Operations) does not require the approval of the Central Government, notwithstanding the fact that the same may exceed the limits laid down in Sections 269, 198 & 309 read with Schedule XIII of the Companies Act, 1956, by virtue of Notification No. G. S. R. 534(E) dated July 14, 2011 read with clarification No. F.No.14/11/2012-CL-VII dated August 16, 2012 issued by Ministry of Corporate Affairs, Government of India since:

- a. he is not having any direct or indirect interest in the capital of the Company or through any other statutory structures at any time during last two years before or on the date of appointment; and
- b. he is a graduate in Chemical Engineering with expert and specialized knowledge in the field of his profession.

In terms of the above notification, payment of remuneration and perquisites to Mr. P. K. Suri, former Director (Operations) requires the approval of the Members of the Company by way of a Special Resolution.

The Board commends the Resolution as set out in the notice for approval by the Members.

None of the Directors, except Mr. P.K. Suri, is concerned or interested in the said Resolution.

#### **Item 11**

Under Section 293(1)(e) of the Companies Act, 1956 ("the Act"), the Board of Directors of a public company cannot, except with the consent of its Members, contribute to charitable and other funds not directly relating to the business of the company or the welfare of its employees,

any amounts the aggregate of which will, in any financial year, exceed ₹50,000 (Rupees Fifty Thousand only) or 5% (five per cent) of the Company's average net profit as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.

As the Company started focusing on CSR activities either directly or through any other agency, it is proposed to obtain the enabling approval of the Members of the Company for making contribution to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, during any financial year, for an amount of upto ₹20,000,000 (Rupees Two Crore only) or five percent of the Company's average net profits as determined in accordance with the provisions of Sections 349 and 350 of the Act during the three financial years immediately preceding, whichever is greater.

As the Members may be aware, the Company has always believed in strengthening and uplifting the communities across the country. With an ongoing focus on education,

development of children, health for all and assistance to poor people, the Company would like to earmark funds for its 'Social Responsibility Initiatives' and hence the above recommendation for making contribution to charitable and other funds.

The Board commends the Resolution as set out in the notice for approval by the Members.

None of the Directors is concerned or interested in the said Resolution.

**By Order of the Board  
For The Andhra Pradesh Paper Mills Limited**

*C. Prabhakar*

**C. Prabhakar**

Sr. Vice President (Corporate Affairs) &  
Company Secretary

Registered Office:  
Rajahmundry - 533 105  
East Godavari District,  
Andhra Pradesh  
May 2, 2013